No. 10386

United States
Circuit Court of Appeals
For the Ninth Circuit.

PACIFIC POWER & LIGHT COMPANY, and
AMERICAN POWER & LIGHT COMPANY,
Petitioners,

vs.

FEDERAL POWER COMMISSION,
Respondent.

Transcript of the Record

In Three Volumes
VOLUME III
Book of Exhibits

Exhibit No. 15 — Pacific's Reclassification of Electric Plant — Statements A to I, Inclusive.

Exhibit No. 16 — Federal Power Commission and Public Utilities Commission of Oregon Staff Report on Reclassification and Original Cost Studies of Electric Plant of Pacific Power & Light Company.

Exhibit No. 17 — Pacific's Revised Reclassification of Electric Plant with Introductory and Explanatory Statement — dated September 26, 1941.

Exhibit (No Number) — Revised Summary Statement of Pacific's Proposed Reclassification, Reflecting Commission's Staff Adjustments Accepted by Company, Endorsed Approved October 20, 1941, by Will T. Neill, Vice President, and Submitted After Close of Hearing.

UPON PETITION FOR REVIEW OF ORDER OF THE FEDERAL POWER COMMISSION

Rotary Colorprint, 590 Folsom St., San Francisco

PACIFIC POWER & LIGHT COMPANY

RECLASSIFICATION OF ELECTRIC PLANT STATEMENTS A TO I INCLUSIVE

PORTLAND, OREGON

PACIFIC POWER & LIGHT COMPANY

RECLASSIFICATION OF ELECTRIC PLANT

STATEMENTS A TO I INCLUSIVE

PORTLAND, OREGON

GEO. M.
ALLEN & SON
The Greenleaf Press
In The City Of Portland, Oregon

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FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

CHAPTER I

PACIFIC POWER & LIGHT COMPANY

Outline of Origin and Development

CHAPTER I

PACIFIC POWER & LIGHT COMPANY

Outline of Origin and Development

Pacific Power & Light Company was incorporated June 16, 1910, under the laws of the State of Maine. The primary purpose of the company was to engage in the generation, distribution and sale of electric energy by the acquisition of small separate systems and the construction and expansion of generation, transmission and other electric service facilities to integrate the properties into a unified system for more economical operation, additional and improved service to existing customers, extension of service to unserved communities and rural areas and to provide an adequate and more dependable source of supply for existing and prospective power business. Incidental to the acquisition of the electric properties, gas, water, street railway and steam heat utilities were also purchased but the company has disposed of most of these other utility properties and with the exception of the water systems at Kennewick, Washington, and Prineville, Oregon, and the steam heat system at Yakima, Washington, the company now conducts only electric utility operations.

Territory Served by the Company

At the present time the company supplies electric service to a population of approximately 250,000 spread over twenty-one counties having an area of approximately 39,000 square miles. Most of the territory served is in south central and southeast Washington and in north central and northeast Oregon. The company's service is also available to the majority of the inhabitants of Clatsop County, Oregon. In addition to the territory served directly, Pacific Company owns distribution systems in Clark, Cowlitz and Skamania counties, Washington, and in Columbia County, Oregon. These latter properties are leased to and operated by Northwestern Electric Company.

The first electric service in any of the territory presently served by Pacific Company was started in December, 1885, in Astoria, Oregon. A small steam driven dynamo with a capacity of 30 arc lamps was installed as an adjunct to a sawmill. Electric service was first established at Pendleton, Oregon, in 1887, at The Dalles, Oregon, in 1888, at Dayton and Walla Walla, Washington, in 1889 and at Yakima, Washington, in 1890. Other cities obtaining electric service at early dates were Heppner, Oregon, in 1893, Waitsburg, Washington, in 1896 and Joseph, Wallowa and Prineville, Oregon, in 1900. A diagram showing the communities in which

Pacific Company owns the electric distribution systems is shown in the chart on page 5. The date of the first electric service in each community is indicated on this chart both as to the systems acquired by purchase and as to those built by the company.

The 66,562 customers which Pacific Company served in 1939 live in twenty-one counties in Oregon and Washington, and a general description of the physical characteristics of the territory served is necessary for a full understanding of the company's history and operations. Over ninety per cent of this territory lies in the plateau region east of the high mountains known as the Cascade Range. Streams, many of which are small and with seasonal flow, have cut relatively narrow valleys into the plateaus. The population of the territory is concentrated largely in these valleys. Where water can be made available for irrigation, good diversified crops can be grown, but in much of the territory the land cannot be irrigated on account of elevation and contour of the land, the scarcity of water and the prohibitive cost of irrigation development. In that part of the territory in which irrigation is necessary for agricultural development, the non-irrigated areas beyond the company's distribution systems are practically uninhabited and are covered by sagebrush and other dry land vegetation. This situation exists principally west of the Columbia River in south central Washington and in that part of the company's territory along the Deschutes River in central Oregon.

Large areas adjacent to the territory served by the company's systems east of the Columbia River in southern Washington and south of the Columbia and Walla Walla rivers in north and northeast central Oregon, are devoted almost exclusively to the raising of wheat and other grains. These areas are not irrigable but the relatively light annual rainfall is sufficient for the grain crops. Here the farms are generally large and population is so widely scattered that much extension of electric service into the farming areas around the communities is not economically feasible.

Long transmission lines are required to provide adequate service to the widely scattered communities and adjacent farmed areas in the company's territory.

The general character of the territory in which the company's systems are situated, the areas served and the transmission systems are shown, respectively, by the relief map on page 6, the service area map on page 7 and by the transmission map on page 8, which shows the manner in which the various service areas are interconnected.

Of the fifty-eight incorporated cities and towns where electric service is rendered by Pacific Company twenty-three had populations of less than 500 each according to the United States Census of 1930. Only three of these communities, Yakima, Washington, with 22,101, Walla Walla, Washington, with 15,976 and Astoria, Oregon, with 10,349, had populations of over 10,000. Only eleven of these communities had populations in excess of 2,000.

Pacific Power & Light Company was one of the pioneers in rural electrification. When the company commenced operations electric service had not been made available, except to a very

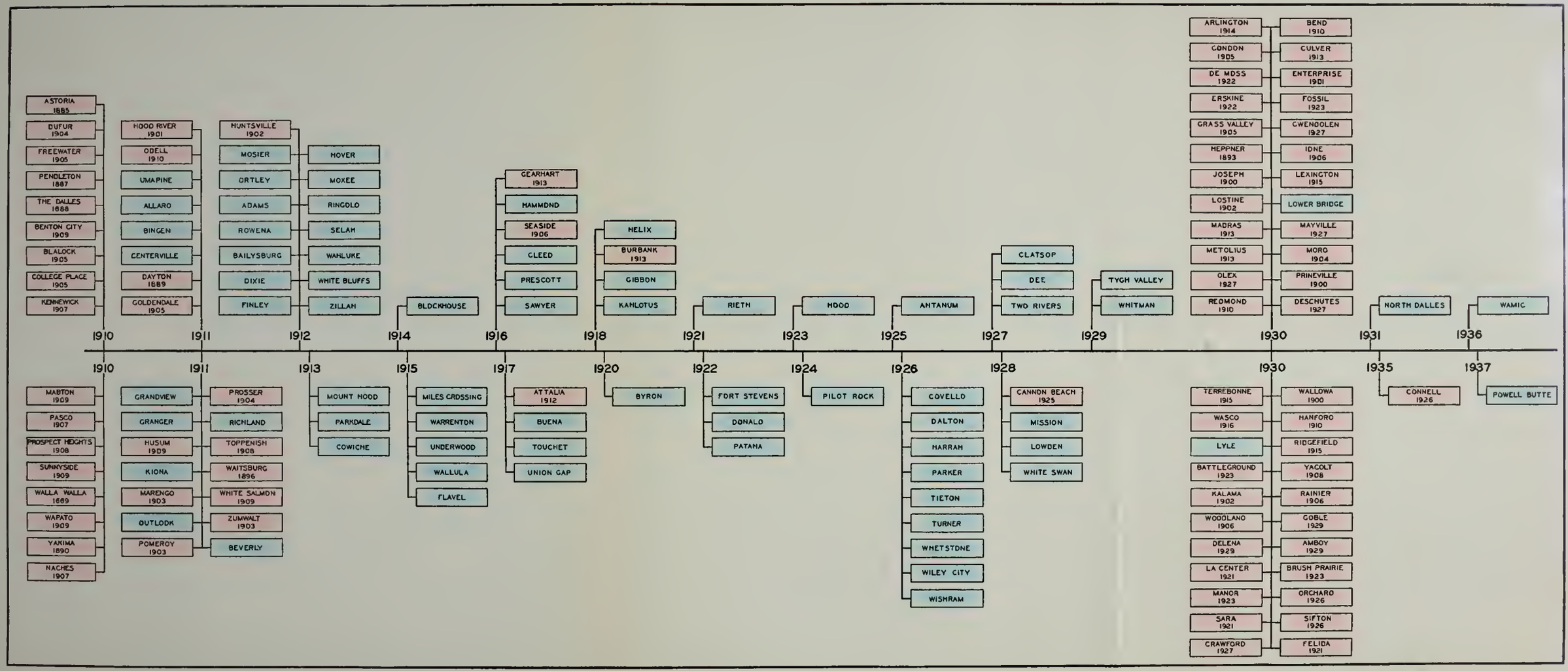
COMMUNITIES SUPPLIED WITH ELECTRIC SERVICE

PACIFIC POWER & LIGHT COMPANY

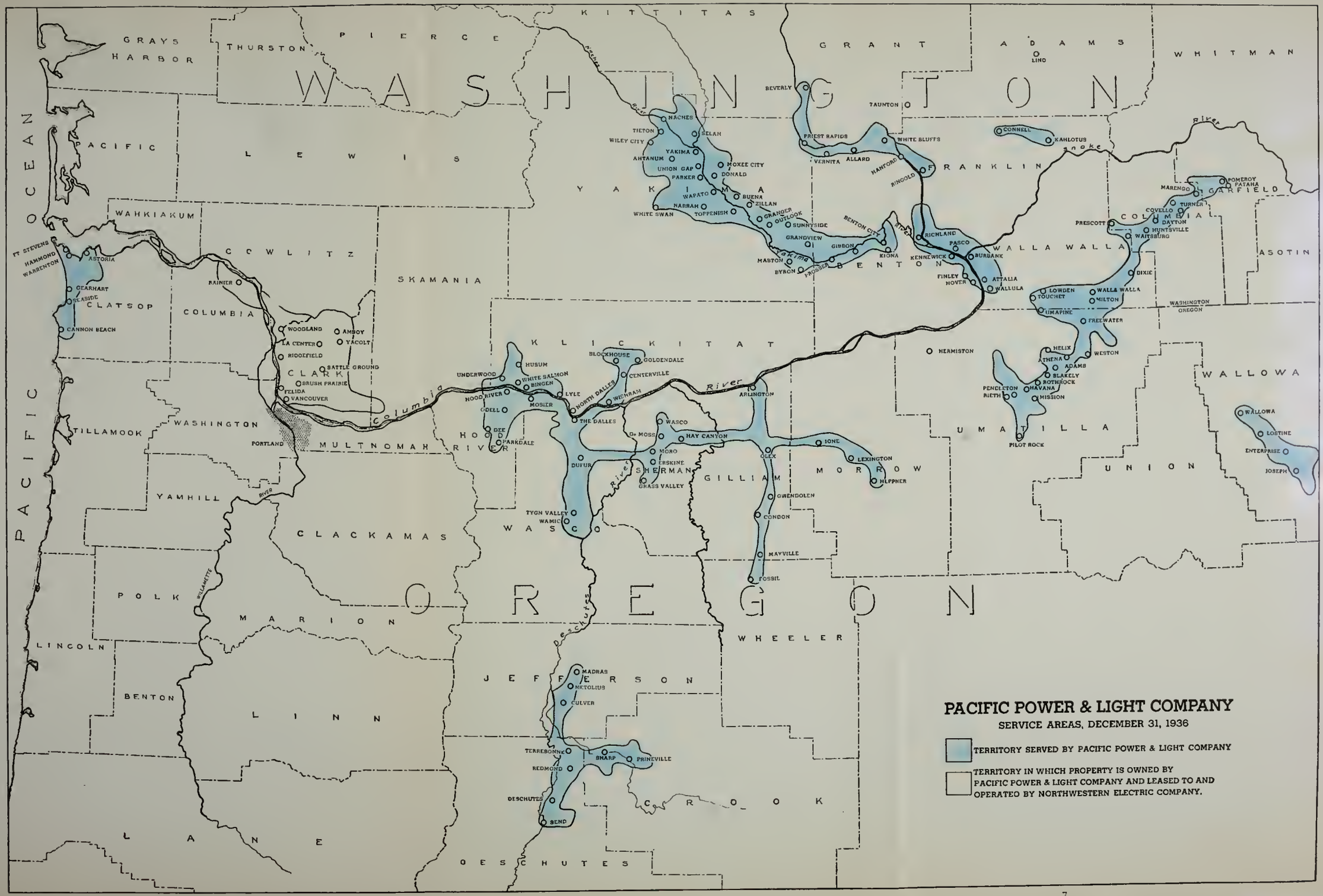
COMMUNITIES IN WHICH DISTRIBUTION SYSTEMS WERE ACQUIRED BY THE PACIFIC POWER & LIGHT COMPANY

COMMUNITIES IN WHICH DISTRIBUTION SYSTEMS WERE FIRST CONSTRUCTED BY THE PACIFIC POWER & LIGHT COMPANY

DATE WITHIN RECTANGLES IS YEAR DURING WHICH ELECTRIC SERVICE WAS FIRST AVAILABLE IN COMMUNITY




PACIFIC OCEAN
WASHINGTON
OREGON
IDAHO
OLYMPIA
MOUNT RAINIER 14,408 FT.
MT. ST. HELENS 9,677
MT. ADAMS 12,307
MT. HOOD 11,245
MT. JEFFERSON 10,495 FT.
Columbia River
Cowlitz River
Lewis River
Willamette River
Deschutes River
John Day River
Snake River
Grande Ronde River
Walla Walla River
Hammond
Warrenton
ASTORIA
Gearhart
Seaside
Gannon Beach
Rainier
Goble
Kalama
Woodland
La Center
Ridgefield
Battleground
Camas
VANCOUVER
PORTLAND
Amboy
Yacolt
North Bonneville
Bonneville
White Salmon
Bingen
Goldendale
Lyle
Mosier
The Dalles
Hood River
Wasco
Dufur
Grass Valley
Moro
Tygh Valley
Condon
Fossil
Arlington
Beverly
Naches
Tieton
YAKIMA
Selah
Union Gap
Moxee
White Bluffs
Hanford
Wapato
White Swan
Toppenish
Buena
Zillah
Granger
Outlook
Sunnyside
Grandview
Mabton
Prosser
Benton City
Richland
Pasco
Kennewick
Connell
Kahlotus
Pomeroy
Deyton
Waitsburg
Wallula
WALLA WALLA
Freewater
Helix
Adams
PENDLETON
Pilot Rock
Ione
Lexington
Heppner
Wallowa
Lostine
Enterprise
Joseph
WALLOWA MOUNTAINS
SALEM
Madras
Redmond
Prineville
Bend
RELIEF MAP OF COLUMBIA RIVER AREA
Communities Served by Electric Property Owned and Operated by Pacific Power & Light Company.
Communities Served by Electric Property Owned by Pacific Power & Light Company and Leased to Northwestern Electric Company


WASHINGTON
OREGON
PACIFIC OCEAN
GRAYS HARBOR
THURSTON
PIERCE
KITTITAS
GRANT
ADAMS
WHITMAN
LEWIS
YAKIMA
FRANKLIN
BENTON
WAHKIAKUM
COWLITZ
SKAMANIA
KLICKITAT
CLARK
COLUMBIA
CLATSOP
TILLAMOOK
WASHINGTON
MULTNOMAH
HOOD RIVER
WASCO
SHERMAN
GILLIAM
MORROW
UMATILLA
UNION
WALLOWA
ASOTIN
GARFIELD
COLUMBIA
WALLA WALLA
YAMHILL
CLACKAMAS
POLK
MARION
LINCOLN
BENTON
LINN
LANE
JEFFERSON
WHEELER
DESCHUTES
CROOK
OESCHUTES
Columbia River
Snake River
Yakima River
Deschutes River
John Day River
Willamette River
PACIFIC POWER & LIGHT COMPANY
SERVICE AREAS, DECEMBER 31, 1936
TERRITORY SERVED BY PACIFIC POWER & LIGHT COMPANY
TERRITORY IN WHICH PROPERTY IS OWNED BY PACIFIC POWER & LIGHT COMPANY AND LEASED TO AND OPERATED BY NORTHWESTERN ELECTRIC COMPANY.


DECEMBER 1936
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
NACHES
TIETON
NACHES PLANT
SELAH
YAKIMA
MOXEE CITY
WILEY CITY
DONALD
UNION GAP
WAPATO
TOPPENISH
ZILLAH
WHITE SWAN
SUNNYSIDE
GRANDVIEW
OUTLOOK
MABTON
PROSSER
PYRON
BENTON CITY
KIONA
KENNEWICK
RICHLAND
PASCO
BEVERLY
VERNITA
HANFORD
WHITE BLUFFS
TAUNTON
RINGOLD
LIND
CONNELL
KAHLOTUS
BURBANK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
FINLEY
HOVER
UMAPINE
FREEWATER
HERMISTON
HELIX
ADAMS
WESTON
ATHENA
WALLA WALLA RIVER PLANT
PENDLETON
RIETH
MISSION
PILOT ROCK
PRESCOTT
DIXIE
WAITSBURG
DAYTON
HUNTSVILLE
TURNER
COVELLO
POMEROY
PATAHA
SNAKE RIVER
WASHINGTON
IDAHO
WALLOWA
LOSTINE
ENTERPRISE
JOSEPH
GRANDE RONDE
OREGON
IDAHO
FT STEVENS
HAMMOND
ASTORIA
WARRENTON
GEARHART
SEASIDE
CANNON BEACH
DELENA
RAINIER
GOBLE
KALAMA
LEWIS RIVER
COWLITZ RIVER
WOODLAND
RIDGEFIELD
YACOLT
CRAWFORD
BATTLE GROUND
BRUSH PRAIRIE
FELIDA
PORTLAND
COLUMBIA RIVER
HUSUM
WHITE SALMON
BINGEN
UNDERWOOD
LYLE
BLOCKHOUSE
GOLDENDALE
CENTERVILLE
WISHRAM
HOOD RIVER
MOSIER
THE DALLES
DUFUR
DEE
ODELL
PARKDALE
WASCO
Dr. MOSS
MORO
ERSKINES
GRASS VALLEY
TYGH VALLEY
TYGH VALLEY PLANT
ARLINGTON
OLEX
IONE
LEXINGTON
HEPPNER
GWENDOLEN
CONDON
MAYVILLE
FOSSIL
WILLAMETTE RIVER
JOHN DAY RIVER
MADRAS
METOLIUS
CULVER
TERREBONNE
CLINE FALLS PLANT
REDMOND
PRINEVILLE
BEND
DESCHUTES
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
FOREIGN CONNECTING LINES
WATER SERVED
STEAM HEAT SERVED

small extent, beyond the boundaries of the few communities in which the acquired properties were situated. Today nearly eighty per cent of the company's distribution pole line mileage is in rural and farm areas and nearly one-fourth of the company's customers live on farms or in small rural communities having populations of less than 250. The development of the company's system has included the extension of electric service to nearly 12,000 actual farms.

SUMMARY OF DEVELOPMENT OF PACIFIC POWER & LIGHT COMPANY

Acquisitions at Organization

The properties acquired by Pacific Power & Light Company in July, 1910, and with which it commenced operations, consisted of four separate systems acquired from three different companies. The Yakima-Pasco system was acquired from Yakima-Pasco Power Company, the Walla Walla-Pendleton system and The Dalles system from Columbia Power & Light Company and the Astoria system from Astoria Electric Company.

The Yakima-Pasco system, all in the State of Washington, extended from Naches located a few miles northwest of Yakima through the Yakima Valley to Pasco. A 22,000 volt transmission line extended from Naches to Kennewick. There were hydro generating plants at Naches and at Yakima and steam generating plants at Naches and Kennewick, the combined installed capacity of all these plants being 6,600 kilowatts. Incident to acquisition of the electric distribution systems at Yakima, Pasco, Kennewick, Sunnyside, Mabton, Benton City, Wapato and Naches, Pacific Company acquired water systems at Yakima, Pasco and Kennewick and a gas system at Yakima. Subsequently, all of the non-electric properties except the Kennewick water system were sold.

The Walla Walla-Pendleton system extended from Walla Walla in southeast Washington south and west through Freewater, Oregon, to Pendleton, Oregon, with electric distribution in these three communities. A hydro generating plant on the Walla Walla River in Oregon and a steam generating station at Walla Walla, with a combined installed station capacity of 3,250 kilowatts, furnished the power requirements of the system. A 22,000 volt transmission line extended from Walla Walla to Pendleton by way of the Walla Walla River generating station. The non-electric properties, incidentally acquired with the electric properties, consisted of gas systems in Walla Walla, Washington, Pendleton, Oregon, and Lewiston, Idaho, all of which since have been sold.

The Dalles system consisted of a hydro generating station of 1,000 kilowatts capacity located on the White River near Tygh Valley, Oregon, together with a 22,000 volt transmission line from the generating station to The Dalles and distribution systems in The Dalles and Dufur.

The Astoria system consisted of a steam generating station and an electric distribution system in Astoria, Oregon. The installed station capacity was 1,025 kilowatts. Incidental to the acquisition of the electric property in Astoria, the company also acquired a gas system

which was subsequently sold and a street railway system which was abandoned about fifteen years after acquisition.

Early Steps in Integration: 1910 - 1911

Immediately following acquisition of these properties in 1910, a transmission line was constructed between Pasco and Walla Walla and the Yakima-Pasco and Walla Walla-Pendleton properties acquired from two separate ownerships were thus connected into one system known as the Yakima-Walla Walla system. The purpose of the company was to interconnect with high voltage transmission lines the properties which it acquired in the region east of the Cascade Range and by integration to furnish more dependable service at the lowest possible rates, and adequately provide for the growing power requirements of the territory. This was accomplished by eliminating small and uneconomical generating plants, providing additional and more economical sources of power supply and by interconnecting power sources to assure maximum dependability and to take advantage of diversity between loads in different parts of the territory. The construction of the new transmission lines enabled the company to extend the service area and to furnish electric service to additional communities and rural areas which had not previously had the benefit of service.

The purchase in 1911 of the separate electric systems which served Waitsburg, Dayton and Pomeroy, located northeast of Walla Walla, Washington, made possible the integration of these properties by the construction of a transmission line from Walla Walla to Pomeroy. The electric system at Waitsburg acquired from Waitsburg Electric Light Company had a small combined steam and hydro generating station with a capacity of 150 kilowatts. The electric system at Dayton acquired from Dayton Electric Company had a 150 kilowatt hydro generating station and the electric system at Pomeroy had a 150 kilowatt hydro generating station on the Tucannon River and a 100 kilowatt steam generating station in Pomeroy. By interconnection and integration of these systems with the Yakima-Walla Walla system, the company was able to decrease the rates for electrical energy immediately after acquisition and also to furnish much more satisfactory service. The interconnections gave these communities an adequate supply of power for the first time in their history.

The acquisition in 1911 of the electric and water systems at Prosser, Washington, from The Prosser Power Company and Prosser Water Company and the acquisition of the Toppenish, Washington, electric system from Reservation Electric Company, were logical steps in the development of the electric system since both companies had found it necessary to purchase power from Pacific Company in order to meet their load requirements.

In 1911 Pacific Company acquired the electric system of Hood River Light & Power Company which served Hood River, Oregon, and some of the rural territory south of that city. This system had two small hydro generating stations with a combined capacity of about 300 kilowatts located on Hood River. Immediately after acquisition, and as a step toward complete integration, a transmission line was built to connect this system to The Dalles, to improve

service and to take advantage of diversity in the demands of these two systems. The construction of this line permitted the extension of electric service to Mosier and Ortley, neither of which had been served previously.

Other properties purchased in the year 1911 were the electric system at Goldendale, Washington, acquired from The Klickitat Light & Power Company, and the electric system at White Salmon, Washington, acquired from Husum Power Company. The former had a 150 kw plant on the Little Klickitat River and the latter a 75 kw plant on the White Salmon River. Electric rates in both these communities were reduced soon after acquisition and 24 hour service was inaugurated. Subsequent integration of these properties in the system materially improved service and was followed by additional rate reductions.

Further Steps in Integration: 1912 to 1930

In the period from 1912 to 1929, inclusive, eight separate electric properties were acquired by purchase. All of these systems were relatively small and each included only the distribution system in a single community. The Seaside, Gearhart and Cannon Beach, Oregon, properties were connected to the Astoria electric system and served from the Astoria steam plant. The Hood River distribution system acquired from Hydro Electric Company was consolidated with other Hood River distribution facilities which Pacific Company had previously acquired. The Huntsville, Attalia and Burbank, Washington, properties and the rural distribution acquired from Hood Light Company in the Hood River Valley were connected to the then existing transmission network of Pacific Company.

In 1918 a transmission line was constructed from Hood River to the Condit hydro generating station of Northwestern Electric Company near White Salmon, Washington. This connection insured The Dalles-Hood River system power to supplement that generated and provided for the growing loads until construction of the Powerdale plant in 1923. At the time this line was constructed a substation was built to serve the load in the White Salmon district where distribution facilities had been acquired from Husum Power Company. This transmission link was another important step in the integration of the Pacific Company's system.

The construction in 1930 of a transmission line extending from Union Gap to Condit connected the Yakima-Walla Walla and The Dalles-Hood River systems. The interconnection and integration of these hitherto separate systems benefited both the company and the communities served, inasmuch as it permitted advantage to be taken of the diversity of peak load conditions and permitted advantageous interchange of power between the two sections of the system. This line was also of great importance to the company in the interchange of power between it and neighboring utilities.

Construction of Generating Facilities

Soon after its early property acquisitions, Pacific Company increased the capacity of the Naches generating station by enlarging the canal and adding a 3,370 kilowatt unit. A new plant known as Naches Drop Plant was constructed at a drop in the canal a short distance above the Naches plant. This plant had an installed capacity of 1,400 kilowatts.

An additional generator rated at 937 kilowatts was installed at Walla Walla River generating station and a 1,250 kilowatt unit was installed at Tygh Valley.

In 1921, a new steam generating station was constructed in a new location at Astoria to replace the old plant which was of obsolete design and of insufficient size to take care of the load. The initial capacity of the new plant was 3,000 kilowatts, and an additional 5,000 kilowatt unit was added in 1925.

Construction of the 6,000 kilowatt Powerdale generating station at Hood River, Oregon, in 1923, gave The Dalles-Hood River system a dependable source of power sufficient to provide for a considerable amount of future growth, and permitted the retirement of the small generating stations on Hood River.

Construction of the additional generating facilities described above, and interconnections with the power systems of other companies, led to the retirement of all the steam and smaller hydro generating stations previously acquired by the company. Interconnection and integration of the various properties permitted more economical and effective use of the generating plants in supplying adequate and dependable service for the growing power requirements of the territory.

Interconnection with Other Companies

The first interconnection for the interchange of power with neighboring utilities occurred in 1917, when a contract was made with The Washington Water Power Company and the systems of the two companies were connected at Lind, Washington. This was followed by interconnection with Northwestern Electric Company in 1918 near White Salmon, Washington, and later by additional connections with The Washington Water Power Company at Taunton and Pomeroy, Washington. These interconnections for power supply and interchange were made after the company had examined and investigated other possible sources of power in and near its territory, and had determined that these interconnections offered the most economical and advantageous source of supply for the rapidly growing system.

Today the company's electric property is a part of an interconnected power system extending as far east as Fort Peck in eastern Montana, as far north and west as Seattle, Washington, and Portland, Oregon, and down the Pacific coast into California. The position of the Pacific Company in this informal power pool connection is shown on the map of the interconnected

power system of the Pacific Northwest on page 15. Savings and benefits have resulted from this power pool for the interconnected systems and their customers. This has been particularly true in cases of water shortage in certain areas or interruptions to service on account of storms, floods and other unusual conditions.

Through the medium of the company's interconnection with Northwestern Electric Company at Condit and its connection with The Washington Water Power Company at Lind, Taunton and Pomeroy, it has been possible by virtue of interchange arrangements, to receive and relay by the displacement method a large volume of energy. On occasions when the company has excess energy available, through its contracts with supplying agencies, or from its own generating plants, it has been able to dispose of the same through the interconnections.

Acquisition of Inland Power & Light Company Properties

In 1930, a large group of properties was acquired from Inland Power & Light Company, as follows:

Properties acquired by Inland Company from Sherman Electric Company. These included distribution systems in many of the towns and communities in Sherman, Gilliam, Morrow and Wheeler counties, Oregon, and a long 22,000 volt line which connected these communities to the system of Pacific Company at Dufur.

Properties acquired by Inland Company from Black Rock Power & Irrigation Company. These consisted of the Hanford, Washington, distribution system and transmission and substation equipment in that locality. The transmission line acquired was an important link in the transmission network of Pacific Company.

Deschutes Power & Light Company properties which included distribution, generation and transmission facilities in Deschutes, Crook and Jefferson counties, Oregon, including hydro plants at Bend and Cline Falls.

Enterprise Electric Company properties which included the electric system located in Wallowa County, Oregon, with a hydro generating station at Joseph.

Distribution systems located in Clark, Cowlitz and Skamania counties, Washington, and Columbia County, Oregon, acquired by Inland Company from Puget Sound Power & Light Company and Ridgefield Light & Power Company.

Steam heat system at Yakima, Washington, water system at Prineville, Oregon, and ice plant at Bend, Oregon.

Of the properties acquired in 1930, those located in Clark, Cowlitz, Skamania and Columbia counties have been leased to Northwestern Electric Company for operation. All other properties have been operated by Pacific Power & Light Company since acquisition.

Growth of System

Growth of the system of Pacific Power & Light Company is indicated by the series of maps on page 16. The development of the present transmission system, as indicated by these maps, shows the substantial expansion and improvement which took place in the company's

facilities during the several periods. The map dates were chosen for convenience only and are of no particular significance. Throughout the years since the company's organization, there has been a continuous increase in number of customers served, load supplied, kilowatt hours distributed and areas served.

The number of customers by years for the entire system operated by Pacific Company (excluding the property leased to and operated by Northwestern Electric Company) is shown on Chart 1 for the period from 1911 to 1938 inclusive. The system has grown from approximately 12,000 customers in 1911 to a total of more than 63,000 customers in 1938, an increase of 415%. In 1930, a reclassification substituted the actual number of customers for the number of billings which had previously been used. The large number of customers received with the Inland Power & Light Company properties acquired at that time offset the decrease which otherwise would have been reflected on the chart as the result of reclassification.

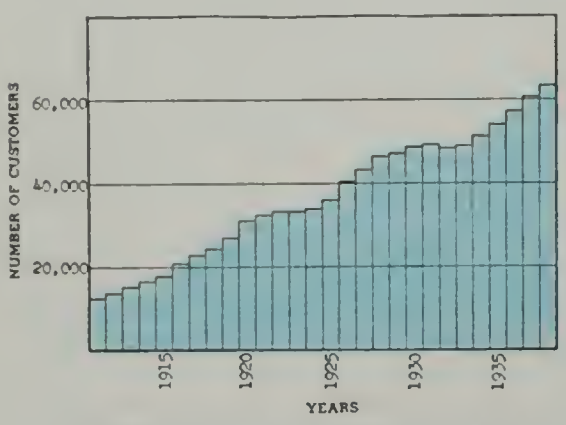


CHART 1—Number of Customers - Entire System

The system peak and average load on the combined systems of Pacific Power & Light Company are shown on the system load curves on page 17. These show an increase in system peak from 14,000 kilowatts in 1918 to approximately 57,000 in 1938.

Additional comparative information indicating the steady growth of the company's operations is found on Chart 2 which shows miles of distribution line, number of customers

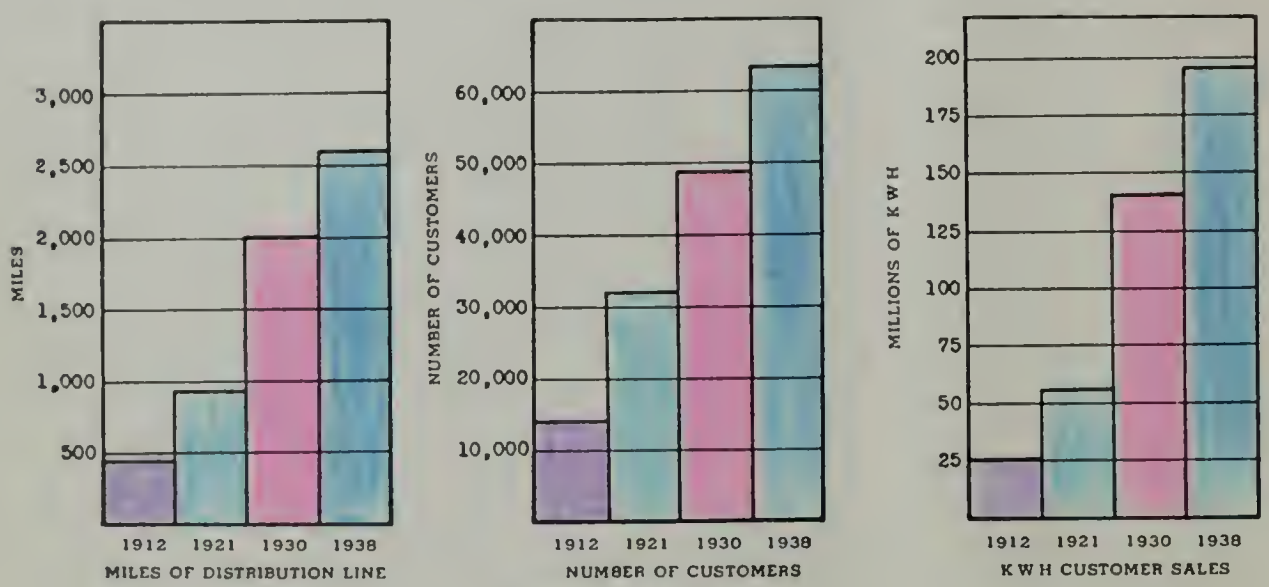
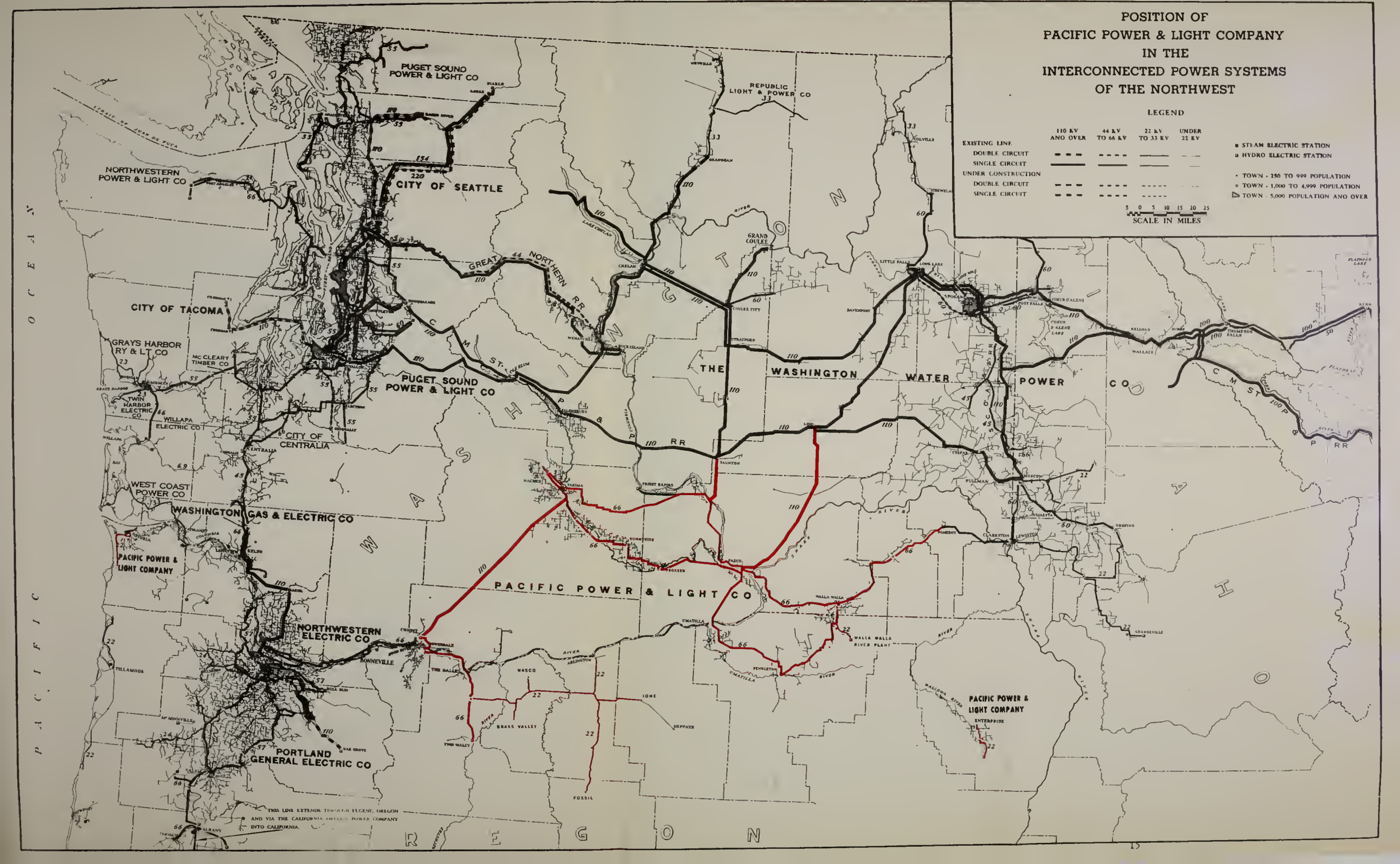
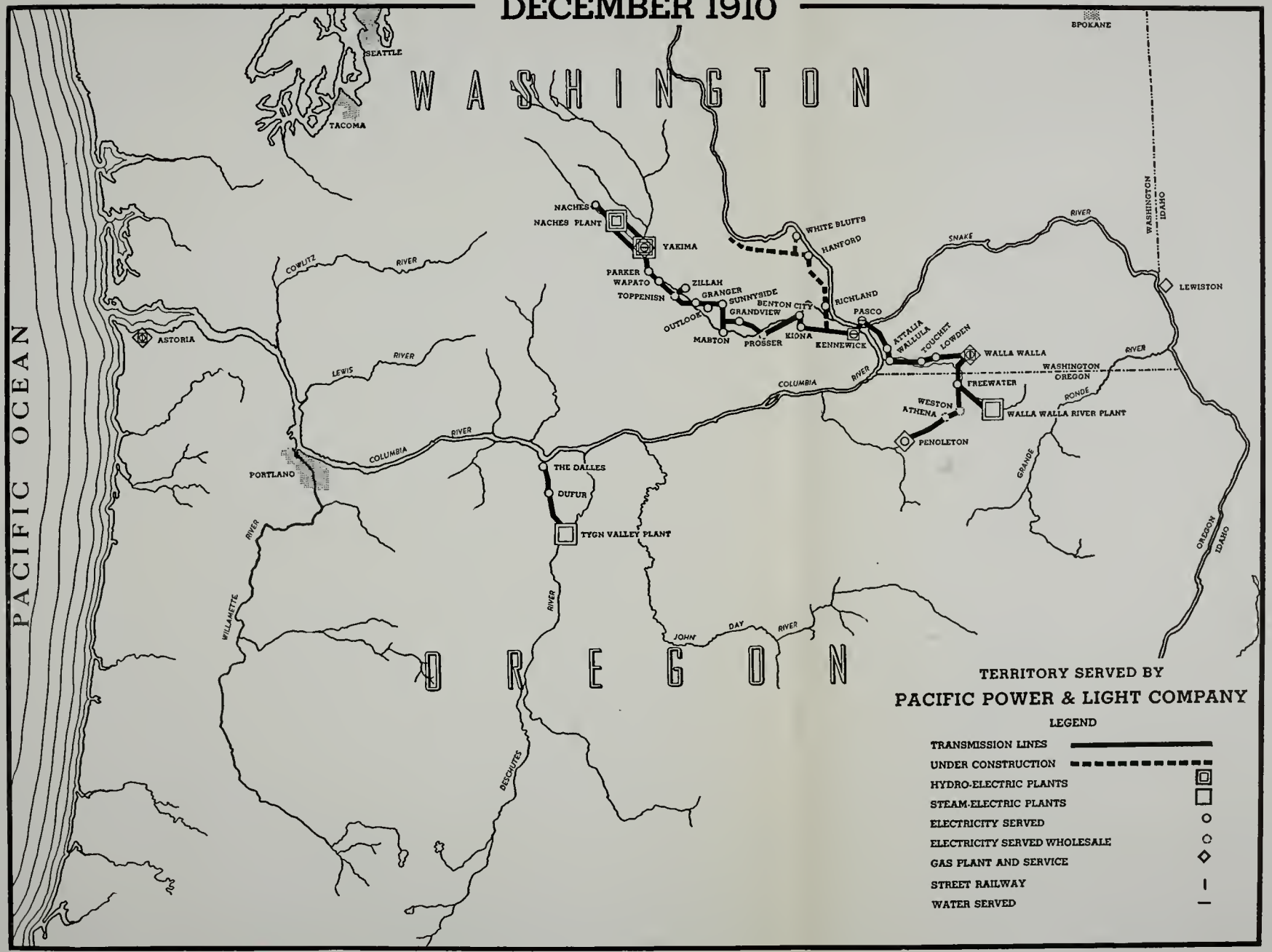
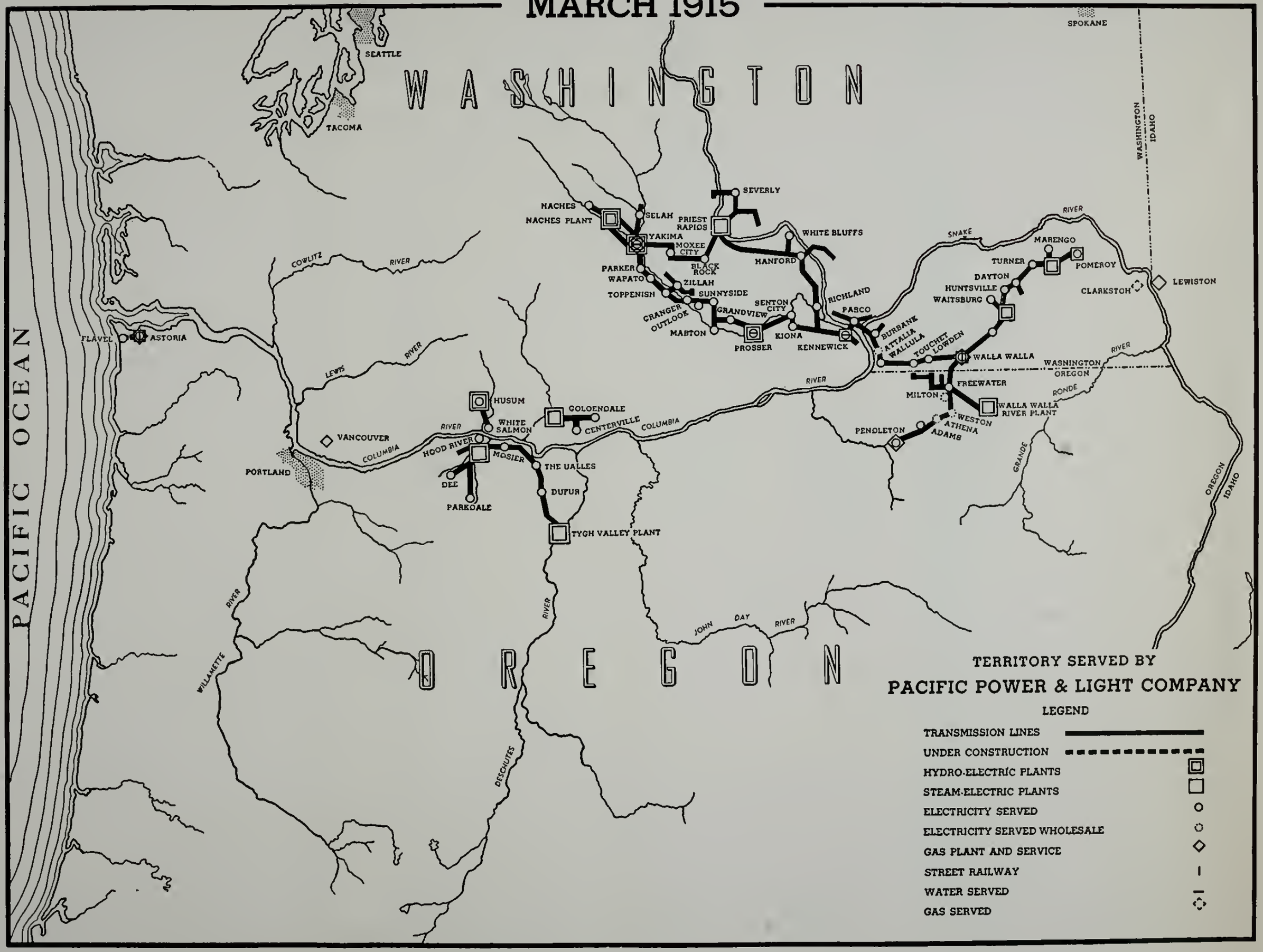


CHART 2—Growth of System


POSITION OF
PACIFIC POWER & LIGHT COMPANY
IN THE
INTERCONNECTED POWER SYSTEMS
OF THE NORTHWEST
LEGEND
110 KV AND OVER
44 KV TO 66 KV
22 KV TO 33 KV
UNDER 22 KV
EXISTING LINE
DOUBLE CIRCUIT
SINGLE CIRCUIT
UNDER CONSTRUCTION
DOUBLE CIRCUIT
SINGLE CIRCUIT
STEAM ELECTRIC STATION
HYDRO ELECTRIC STATION
TOWN - 250 TO 999 POPULATION
TOWN - 1,000 TO 4,999 POPULATION
TOWN - 5,000 POPULATION AND OVER
SCALE IN MILES
PUGET SOUND POWER & LIGHT CO
REPUBLIC LIGHT & POWER CO
NORTHWESTERN POWER & LIGHT CO
CITY OF SEATTLE
GREAT NORTHERN RR
CITY OF TACOMA
GRAYS HARBOR RY & LT CO
MC CLEARY TIMBER CO
PUGET SOUND POWER & LIGHT CO
TWIN HARBOR ELECTRIC CO
WILLAPA ELECTRIC CO
CITY OF CENTRALIA
WEST COAST POWER CO
WASHINGTON GAS & ELECTRIC CO
PACIFIC POWER & LIGHT COMPANY
NORTHWESTERN ELECTRIC CO
PORTLAND GENERAL ELECTRIC CO
THIS LINE EXTENDS THROUGH EUGENE, OREGON AND VIA THE CALIFORNIA OREGON POWER COMPANY INTO CALIFORNIA.
PACIFIC POWER & LIGHT CO
THE WASHINGTON WATER POWER CO
C M ST P & P RR
C M ST P RR
PACIFIC POWER & LIGHT COMPANY
WALLA WALLA RIVER PLANT
PACIFIC OCEAN
WASHINGTON
OREGON
IDAHO


DECEMBER 1910
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
NACHES
NACHES PLANT
YAKIMA
PARKER
WAPATO
TOPPENISH
ZILLAH
GRANGER
SUNNYSIDE
OUTLOOK
GRANDVIEW
BENTON CITY
MABTON
PROSSER
KIONA
WHITE BLUFFS
HANFORD
RICHLAND
PASCO
KENNEWICK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
FREEWATER
WESTON
ATHENA
PENDLETON
WALLA WALLA RIVER PLANT
LEWISTON
ASTORIA
PORTLAND
THE DALLES
DUFUR
TYGH VALLEY PLANT
COWLITZ RIVER
LEWIS RIVER
COLUMBIA RIVER
SNAKE RIVER
WASHINGTON
IDAHO
WASHINGTON
OREGON
WILLAMETTE RIVER
DESCHUTES RIVER
JOHN DAY RIVER
GRANDE RONDE
OREGON
IDAHO
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
GAS PLANT AND SERVICE
STREET RAILWAY
WATER SERVED

MARCH 1915



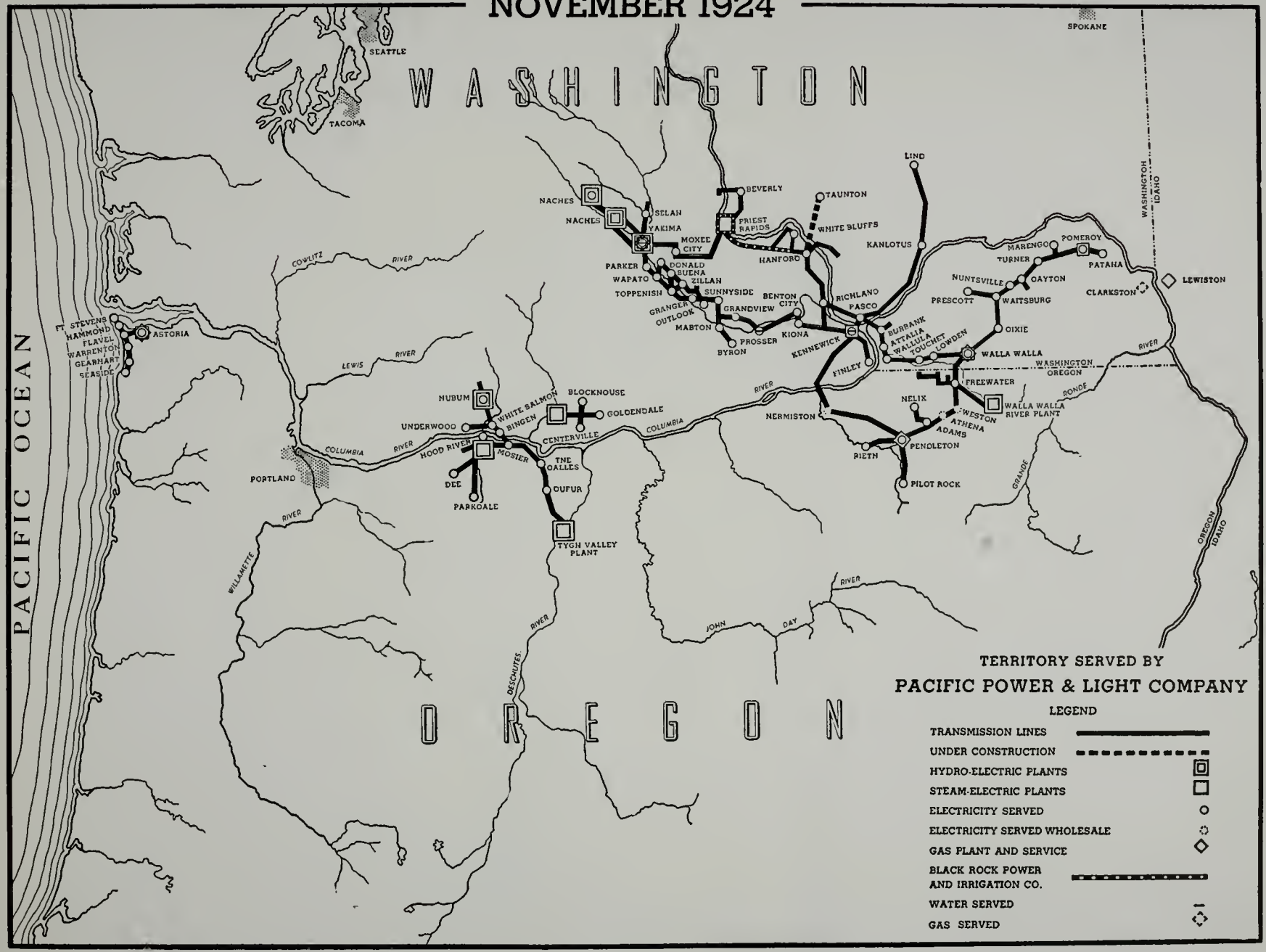
TERRITORY SERVED BY

PACIFIC POWER & LIGHT COMPANY

LEGEND

- TRANSMISSION LINES
- UNDER CONSTRUCTION
- HYDRO-ELECTRIC PLANTS
- STEAM-ELECTRIC PLANTS
- ELECTRICITY SERVED
- ELECTRICITY SERVED WHOLESALE
- GAS PLANT AND SERVICE
- STREET RAILWAY
- WATER SERVED
- GAS SERVED

NOVEMBER 1924

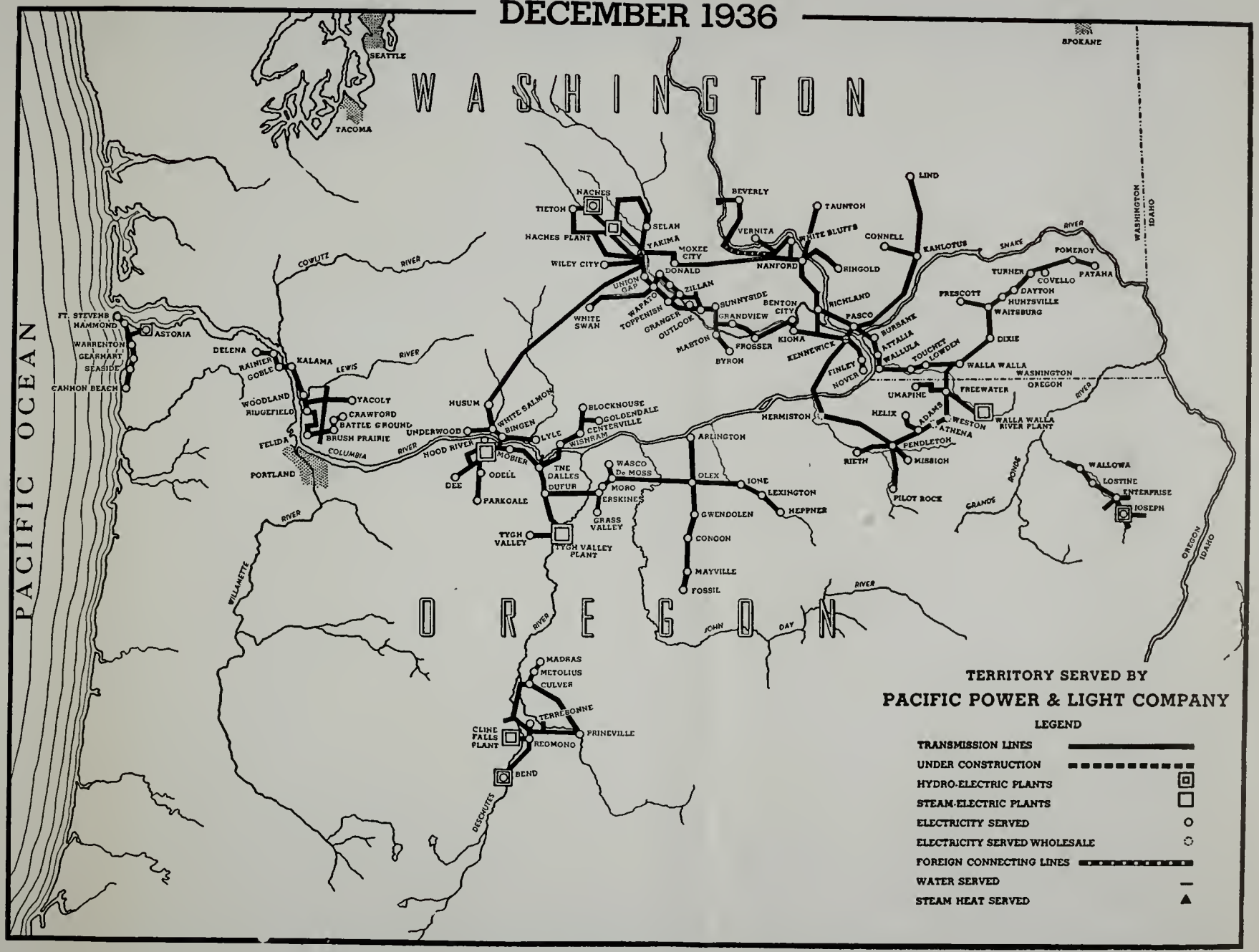


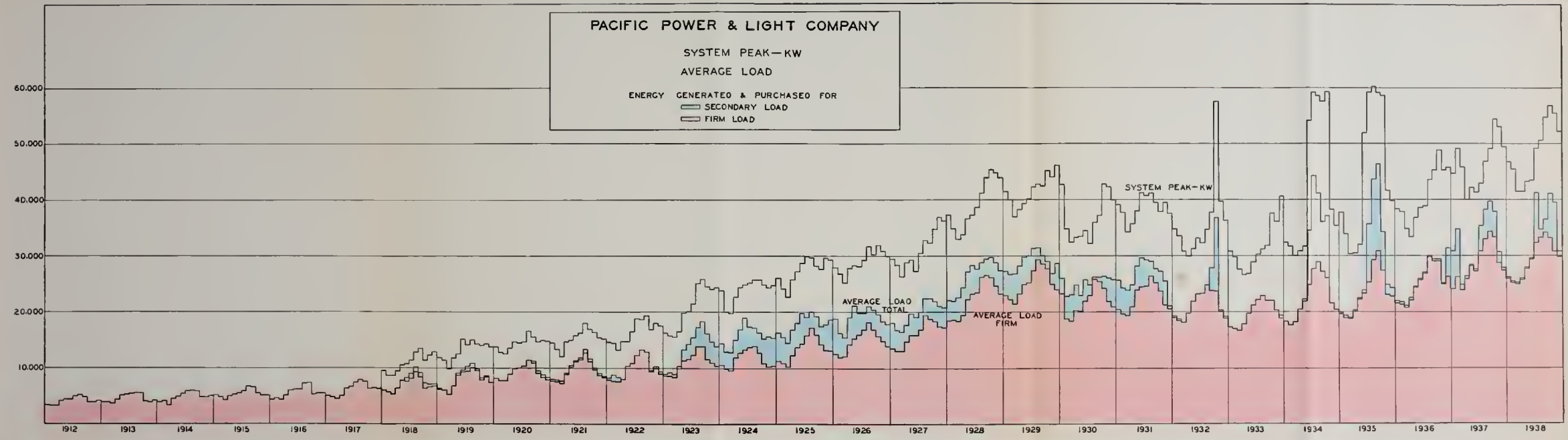
TERRITORY SERVED BY

PACIFIC POWER & LIGHT COMPANY

LEGEND

- TRANSMISSION LINES
- UNDER CONSTRUCTION
- HYDRO-ELECTRIC PLANTS
- STEAM-ELECTRIC PLANTS
- ELECTRICITY SERVED
- ELECTRICITY SERVED WHOLESALE
- GAS PLANT AND SERVICE
- BLACK ROCK POWER AND IRRIGATION CO.
- WATER SERVED
- GAS SERVED


DECEMBER 1936
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
WASHINGTON
IDAHO
COWLITZ RIVER
SNAKE RIVER
COLUMBIA RIVER
WILLAMETTE RIVER
JOHN DAY RIVER
DESCHUTES
OREGON
IDAHO
WASHINGTON
OREGON
NACHES
TIETON
NACHES PLANT
SELAH
YAKIMA
MOXEE CITY
WILEY CITY
DONALD
UNION GAP
WAPATO
TOPPENISH
GRANGER
ZILLAH
SUNNYSIDE
OUTLOOK
GRANDVIEW
MABTON
BYRON
WHITE SWAN
BENTON CITY
KIONA
FROSSER
RICHLAND
PASCO
KENNEWICK
FINLEY
NOVER
BURBANK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
DIXIE
BEVERLY
VERNITA
TAUNTON
WHITE BLUFFS
HANFORD
RINGOLD
LIND
CONNELL
KAHLOTUS
PRESCOTT
DAYTON
HUNTSVILLE
WAITSBURG
TURNER
COVELLO
POMEROY
PATAHA
UMAPINE
FREEWATER
HELIX
ADAMS
ATHENA
WESTON
WALLA WALLA RIVER PLANT
HERMISTON
ARLINGTON
RIETH
PENDLETON
MISSION
PILOT ROCK
WALLOWA
LOSTINE
ENTERPRISE
JOSEPH
BONDS
GRANDE
FT. STEVENS
HAMMOND
ASTORIA
WARRENTON
GEARHART
SEASIDE
CANNON BEACH
DELENA
RAINIER
GOBLE
KALAMA
LEWIS
WOODLAND
RIDGEFIELD
YACOLT
CRAWFORD
BATTLE GROUND
BRUSH PRAIRIE
FELIDA
PORTLAND
HUSUM
WHITE SALMON
BINGEN
UNDERWOOD
LYLE
BLOCKHOUSE
GOLDENDALE
CENTERVILLE
WISHRAM
HOOD RIVER
MOBIER
ODELL
DEE
PARKDALE
THE DALLES
DUFUR
MORO
ERSKINES
GRASS VALLEY
TYGH VALLEY
TYGH VALLEY PLANT
WASCO
De MOSS
OLEX
IONE
LEXINGTON
HEPPNER
GWENDOLEN
CONDON
MAYVILLE
FOSSIL
MADRAS
METOLIUS
CULVER
TERREBONNE
CLINE FALLS PLANT
REDMOND
PRINEVILLE
BEND
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
FOREIGN CONNECTING LINES
WATER SERVED
STEAM HEAT SERVED


PACIFIC POWER & LIGHT COMPANY
SYSTEM PEAK—KW
AVERAGE LOAD
ENERGY GENERATED & PURCHASED FOR
SECONDARY LOAD
FIRM LOAD
60.000
50.000
40.000
30.000
20.000
10.000
SYSTEM PEAK-KW
AVERAGE LOAD TOTAL
AVERAGE LOAD FIRM
1912
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938

served and kilowatt hours distributed for the entire system for the years 1912, 1921, 1930 and 1938.

As of December 31, 1936, Pacific Company was made up of four separate integrated systems, each with power facilities adequate to meet the needs of the communities served. The largest of these systems is the Main Power System which includes approximately 80 per cent of the customers served. These systems were operated by an efficient personnel trained through long experience either with Pacific Company and its predecessors or with other companies. The facilities are of modern design and well maintained, and provide dependable service with a minimum of interruptions. Rates charged for service are among the lowest in the country for territory having similar characteristics.

The following tabulation shows a comparison of the company's system as of the date of its organization in 1910 and as of December 31, 1936. These statistics reflect both the acquired and the constructed property:

	1910	1936
Generating Capacity (kw)	11,875	30,567
Power Purchase Contracts (kw)	1,000	19,300
Miles of Pole Line—Transmission and Distribution	388	3,748*
Number of Communities Served	17	134**
Number of Electric Customers	7,356	57,439**
Gross Electric Earnings for Year	$592,781	$4,394,429**
Artificial Gas Systems	5	none
Water Systems	3	2
Street Railway Systems	1	none
Steam Heat Systems	none	1

* Includes lines leased to Northwestern Electric Company.

** Does not include properties leased to Northwestern Electric Company.

The following is a list of the company's generating stations as of December 31, 1936, together with their installed capacities:

Generating Station	Type	Installed Capacity
Astoria	Steam	8,000 kw
Bend	Hydro	1,110 kw
Cline Falls	Hydro	150 kw
Joseph	Hydro	1,000 kw
Naches	Hydro	7,120 kw
Naches Drop Plant	Hydro	1,400 kw
Powerdale	Hydro	6,000 kw
Tygh Valley	Hydro	2,250 kw
Walla Walla River	Hydro	2,437 kw
		29,467 kw

In addition to the foregoing owned generating plants, the company operates under lease from Inland Power & Light Company the latter's Cove hydro plant which has an installed capacity of 1,100 kw.

Pacific Company has encouraged and promoted the use of electric ranges, water heaters and other electric equipment by the maintenance of low and promotional rates throughout the territory served. Chart 3 indicates the growing use of water heater installations. Large sums of money have been expended by the company in developing its business, in the training of personnel and in setting up and maintaining records and information to provide means for intelligent and effective guidance in all phases of its operations.

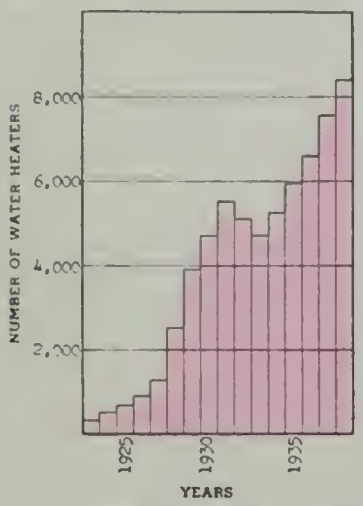


CHART 3—Number of Water Heaters in Service

The accompanying diagram, Chart 4, shows that the average price per kilowatt hour paid by the consumer for residence service has decreased from approximately nine cents in 1922 to a little more than two and one-half cents in 1938. It is not possible to segregate residence service from commercial service prior to 1922. Since 1924, this average price has been well under the national average. The low average cost per kilowatt hour is

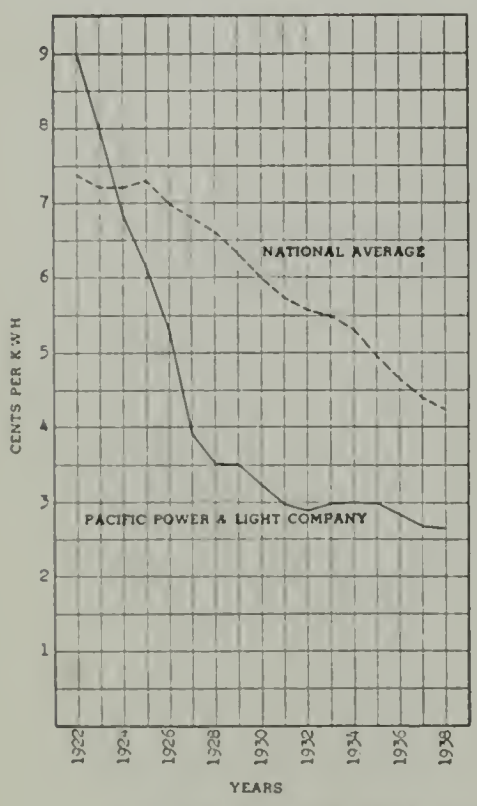


CHART 4—Average Cost Per KWH - Residence Service

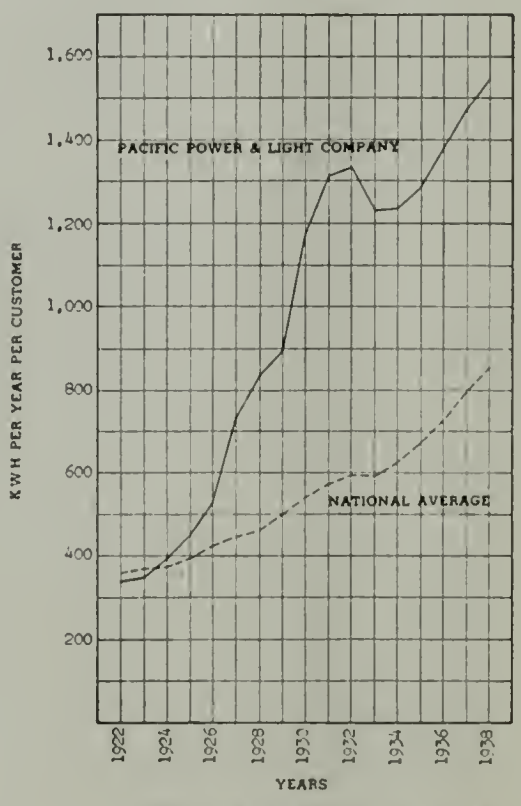


CHART 5—Average KWH Per Year Per Residence Customer

among the lowest in the country and is outstanding when the density of population of the territory served by Pacific Power & Light Company is taken into consideration.

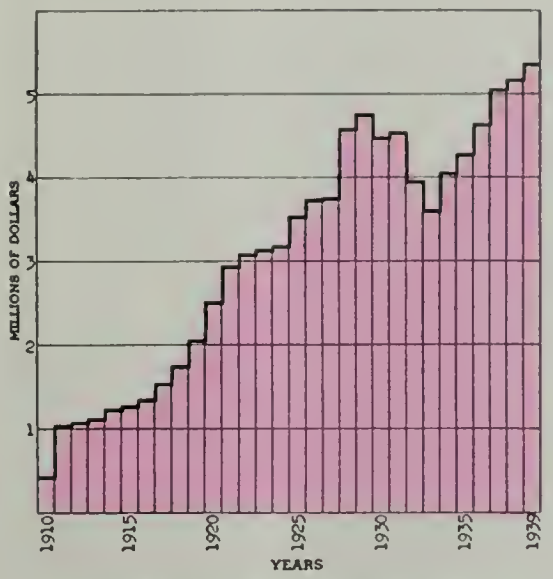


CHART 6—Gross Operating Revenues

Chart 5 shows the average annual kilowatt hour use per residence customer. The use of electricity throughout the territory served by Pacific Company has since 1924 been far above the national average. For the year 1938, the average kilowatt hour use per year in the territory of the company was almost double the national average.

The gross operating revenues of the company from 1910 to 1939 are shown on Chart 6. The increases shown reflect the results of the company's sales promotion and development activity from year to year as well as the results of rate decreases which have accompanied the successive stages of integration.

Rate Reductions

It has been the policy of the company since its organization in 1910 to make effective the lowest possible rates consistent with good service and sound operating practices.

Through periodic rate reductions the company has given to its customers benefits resulting from the integration, expansion and development of its system and business. The rates of the predecessor companies whose systems were acquired by Pacific Company varied widely. The rate structure has been progressively improved by the reductions and the introduction of promotional features to induce the more extensive use of electric service for all purposes.

Typical rates of predecessor companies compared with rates made effective soon after acquisition by Pacific Company and with rates which the company made effective March 1, 1939, are shown in Chart 7. This chart indicates the rate reductions in Yakima, Washington, and The Dalles, Oregon, two of the larger commu-

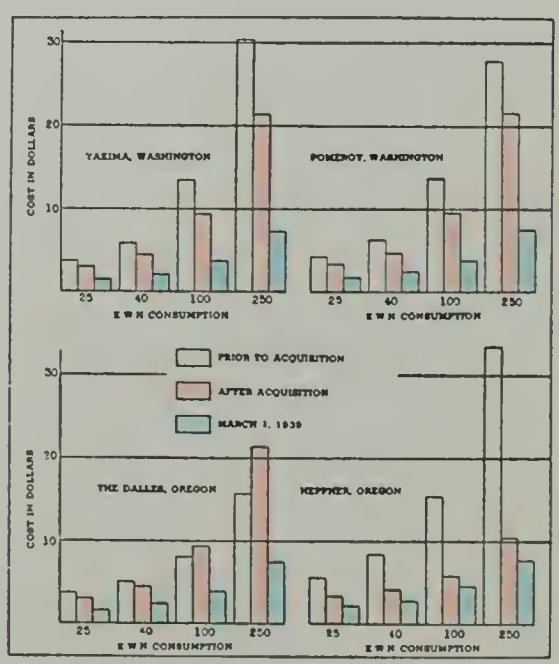


CHART 7—Cost of Residence Service

nities served by the company, and in Pomeroy, Washington, and Heppner, Oregon, two of the smaller communities served by the company.

The following tabulation shows the effect of changes in residence rates in Yakima, Washington, one of the communities shown on Chart 7. There have been thirteen rate reductions made by the company between 1911 and 1939. In general this tabulation is typical of rate decreases in all communities served by the company.

CUSTOMERS BILLS FOR RESIDENCE SERVICE
1910 to 1939
YAKIMA, WASHINGTON

Company—	Date of Rate Change	Lighting and Small Appliances			Lighting, Small Appliances and Refrigeration		Lighting, Refrigeration Cooking, Etc.
		15 kwh	25 kwh	40 kwh	100 kwh	150 kwh	250 kwh
Predecessor Co. (Prior to July 1, 1910)		$2.25	$3.75	$5.85	$13.35	$19.25	$30.25
Pacific Power & Light Company							
	June 1, 1911	1.80	3.00	4.40	9.20	13.20	21.20
	June 1, 1912	1.50	2.50	3.80	8.60	12.60	20.60
	Sept. 30, 1912	1.50	2.50	3.80	8.60	12.60	16.10
	Aug. 30, 1915	1.50	2.50	3.80	8.60	12.60	14.00
	Sept. 29, 1920	1.65	2.75	4.20	9.60	14.10	15.60
	Jan. 10, 1923	1.65	2.45	3.35	6.95	9.95	11.33
	May 1, 1924	1.50	2.40	3.15	6.15	8.65	9.11
	July 29, 1925	1.50	2.40	3.15	4.61	6.11	9.11
	Aug. 1, 1926	1.20	2.00	2.96	4.50	6.00	9.00
	June 3, 1929	1.20	2.00	2.70	4.50	6.00	9.00
	July 1, 1931	1.05	1.75	2.44	4.24	5.74	8.74
	Feb. 29, 1936	1.00	1.55	2.25	4.05	5.55	7.55
	Feb. 9, 1937	1.00	1.50	2.05	3.85	5.25	7.25
	Mar. 1, 1939	1.00	1.45	2.00	3.65	5.03	7.10

Taxes

Pacific Company has made a substantial contribution to local government through the payment of real and personal property taxes, and also to state and federal government through the payment of revenue, energy, income and other forms of taxes. The company's taxes have increased from $31,900 in 1910 to $797,800 in 1938, this development in the company's tax bill being shown in greater detail on Chart 8. The accumulated total of taxes paid in the period from 1910 to 1938, inclusive, was approximately $10,000,000. The ratio of taxes to gross revenues has increased from year to year, being 15.3% in 1938. The taxes paid directly do not include a large amount of taxes paid indirectly in the purchase of power for resale.

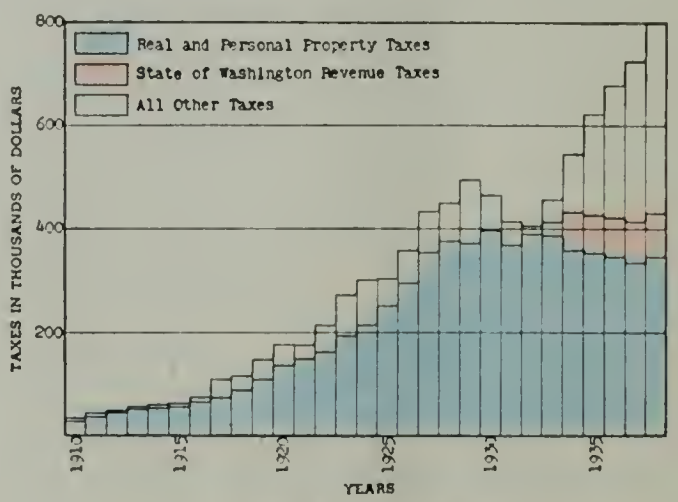


CHART 8—Total Taxes Paid

Reproduction Cost of Property

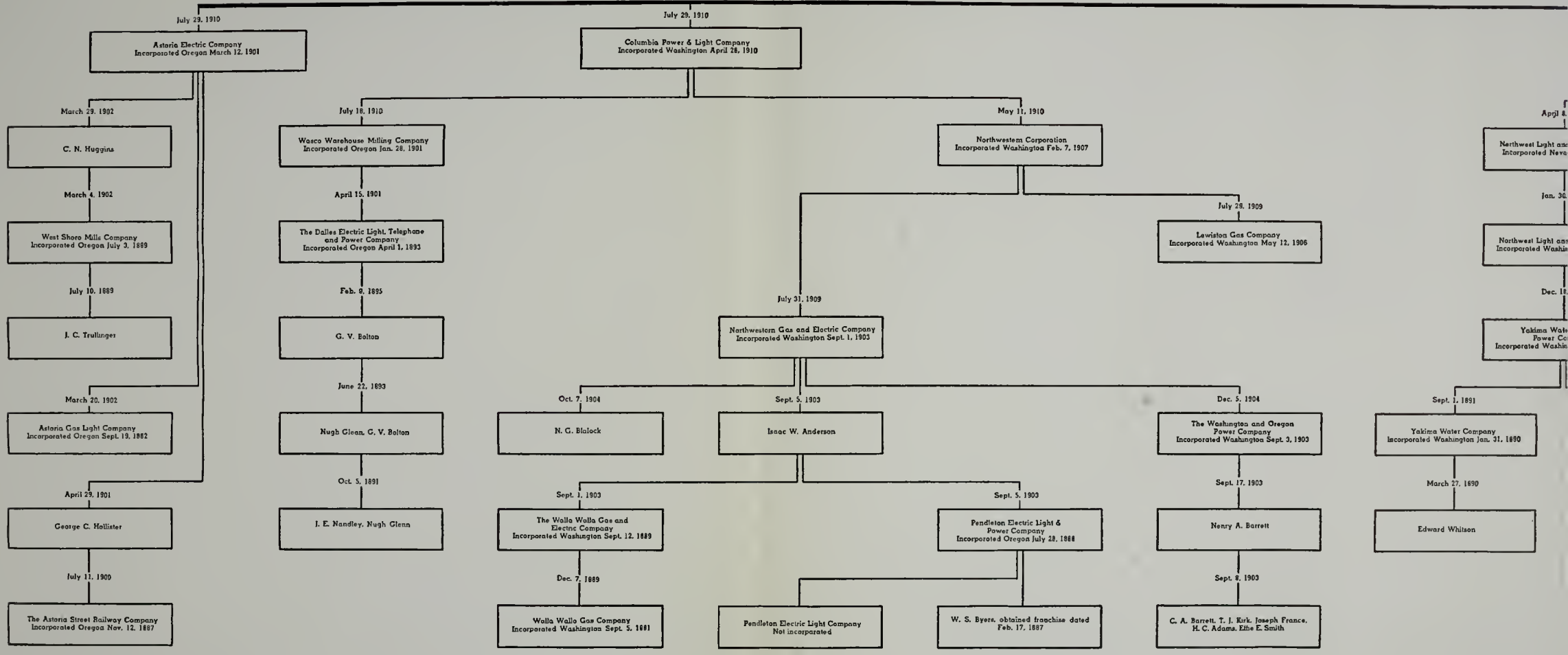
In compliance with orders from the Washington Department of Public Works and Public Utilities Commissioner of Oregon, the company made an inventory and appraisal, in 1934, of the electric properties which it was then operating. The inventory was made as of December 31, 1933, and the appraisal was based on prices prevailing as of May 1, 1934. The estimated reproduction cost new of these properties was $24,566,432. In addition to the electric property which it operates, Pacific Company owns electric systems in Clark, Cowlitz, and Skamania counties, Washington, and in Columbia County, Oregon, which properties are leased to Northwestern Electric Company. These leased properties were inventoried and appraised by the company as of December 31, 1932, on the basis of the average of prices prevailing over a three-year period ending September 30, 1932. The estimated reproduction cost new of the leased properties was $2,186,981.

By using these appraisals and subsequent net additions to December 31, 1936, all adjusted to price levels which prevailed on that date, and including appropriate estimates for non-electric properties, the Company's engineers estimate that it would have required the expenditure of approximately $35,925,000 to reproduce all of the company's properties as of December 31, 1936, excluding going value and all other intangibles.

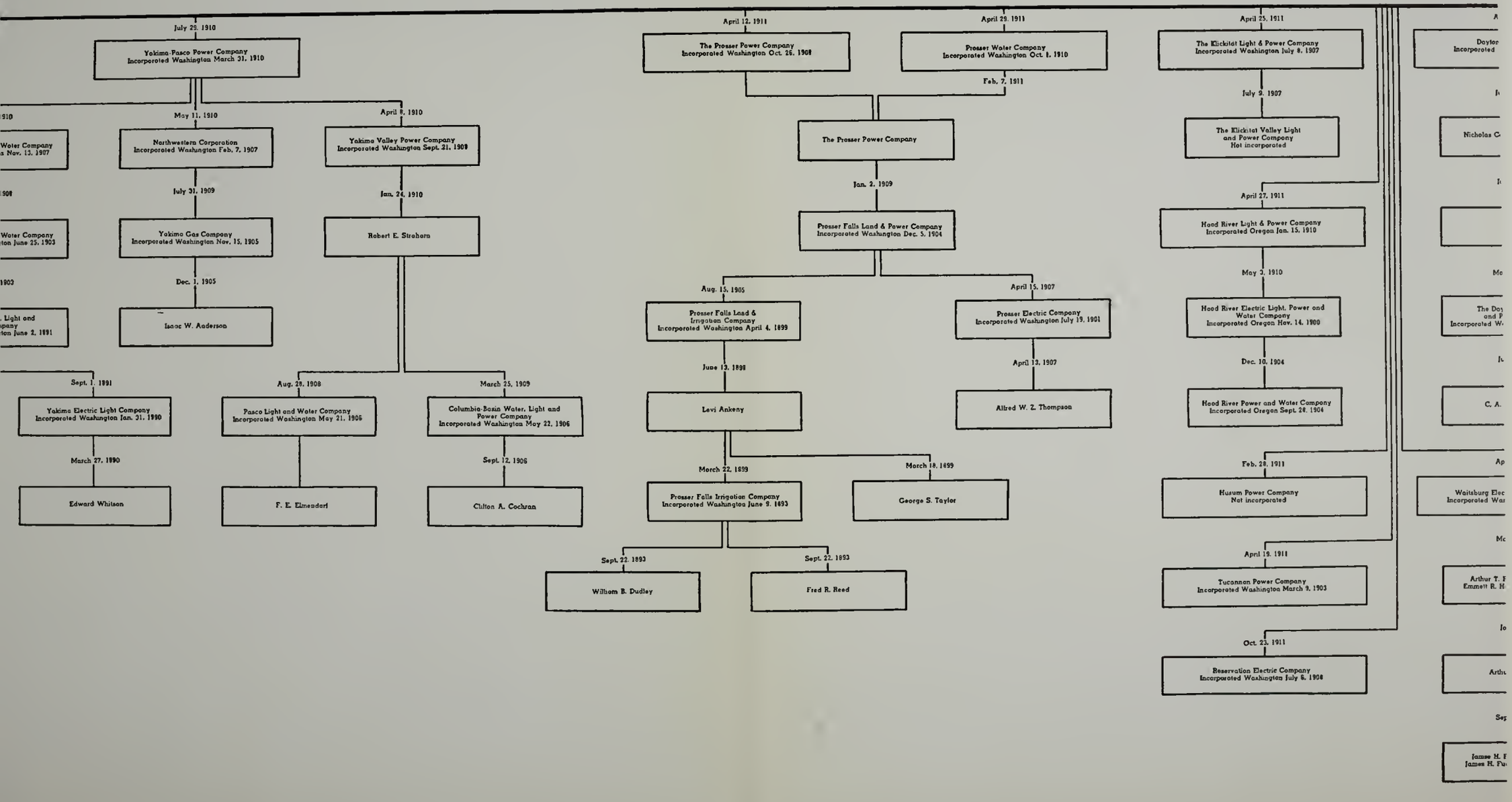
Corporate Development of Predecessors

The development of the various acquired properties from their beginnings to the date of acquisition by Pacific Power & Light Company is indicated on the Corporate Development Chart on page 23.

The details of the history and development of these properties are included in the following chapters II to VI inclusive.


July 29. 1910
Astoria Electric Company
Incorporated Oregon March 12. 1901
March 29. 1902
C. N. Huggins
March 4. 1902
West Shore Mills Company
Incorporated Oregon July 3. 1889
July 10. 1889
J. C. Trullinger
March 20. 1902
Astoria Gas Light Company
Incorporated Oregon Sept. 19. 1882
April 29. 1901
George C. Hollister
July 11. 1900
The Astoria Street Railway Company
Incorporated Oregon Nov. 12. 1887
July 29. 1910
Columbia Power & Light Company
Incorporated Washington April 28. 1910
July 18. 1910
Wasco Warehouse Milling Company
Incorporated Oregon Jan. 28. 1901
April 15. 1901
The Dalles Electric Light, Telephone
and Power Company
Incorporated Oregon April 1. 1893
Feb. 9. 1895
G. V. Bolton
June 22. 1893
Nugh Glean, G. V. Bolton
Oct. 5. 1891
J. E. Nandley, Nugh Glenn
May 11. 1910
Northwestern Corporation
Incorporated Washington Feb. 7. 1907
July 29. 1909
Lewiston Gas Company
Incorporated Washington May 12. 1906
July 31. 1909
Northwestern Gas and Electric Company
Incorporated Washington Sept. 1. 1903
Oct. 7. 1904
N. G. Blalock
Sept. 5. 1903
Isaac W. Anderson
Dec. 5. 1904
The Washington and Oregon
Power Company
Incorporated Washington Sept. 3. 1903
Sept. 1. 1903
The Walla Walla Gas and
Electric Company
Incorporated Washington Sept. 12. 1889
Dec. 7. 1889
Walla Walla Gas Company
Incorporated Washington Sept. 5. 1881
Sept. 5. 1903
Pendleton Electric Light &
Power Company
Incorporated Oregon July 28. 1888
Pendleton Electric Light Company
Not incorporated
W. S. Byers, obtained franchise dated
Feb. 17. 1887
Sept. 17. 1903
Henry A. Barrett
Sept. 8. 1903
C. A. Barrett, T. J. Kirk, Joseph France,
H. C. Adams, Effie E. Smith
April 8.
Northwest Light and
Incorporated Neva
Jan. 30.
Northwest Light and
Incorporated Washin
Dec. 1
Yakima Wate
Power Co
Incorporated Washin
Sept. 1. 1891
Yakima Water Company
Incorporated Washington Jan. 31. 1890
March 27. 1890
Edward Whitson

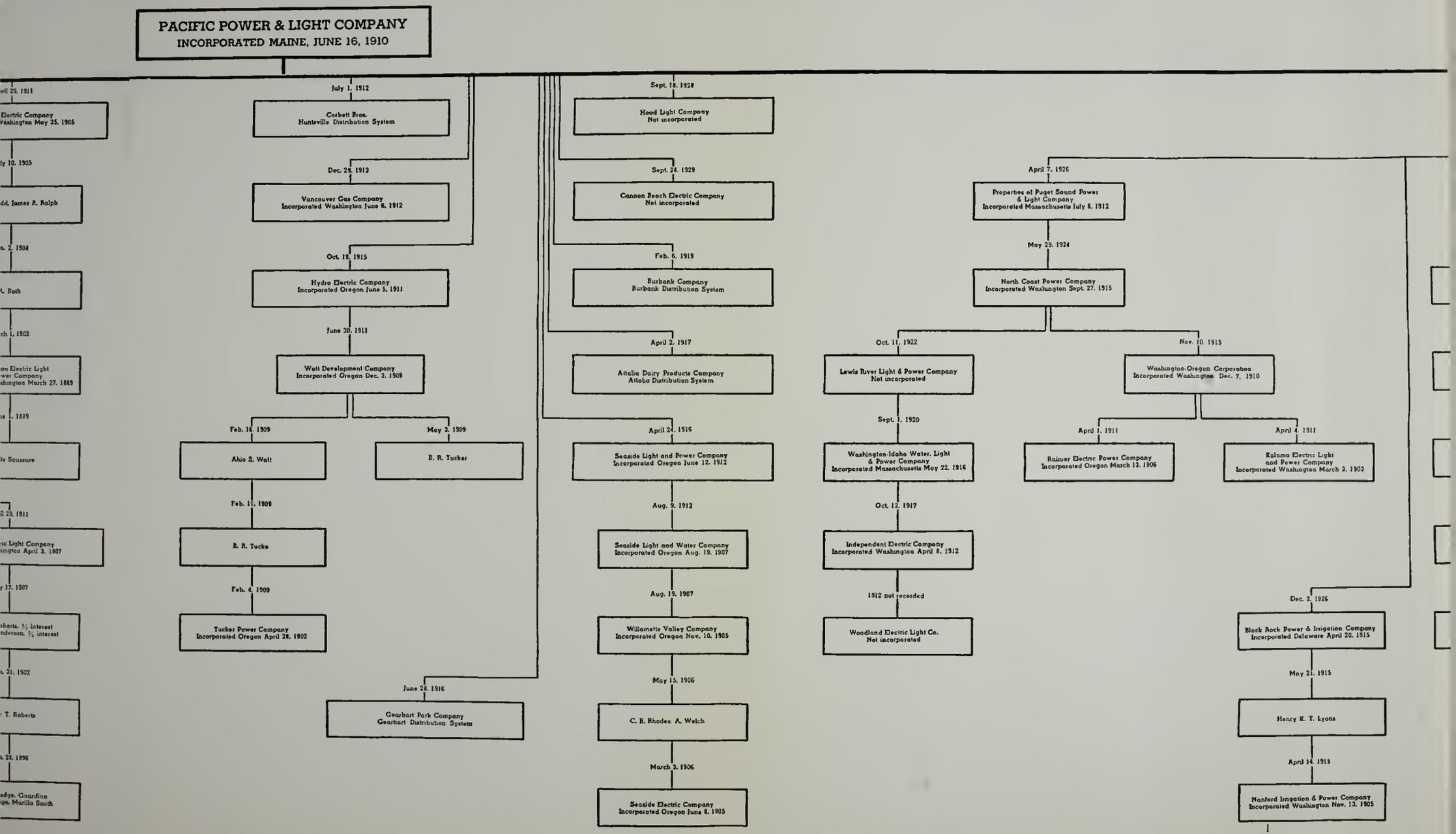
PACI

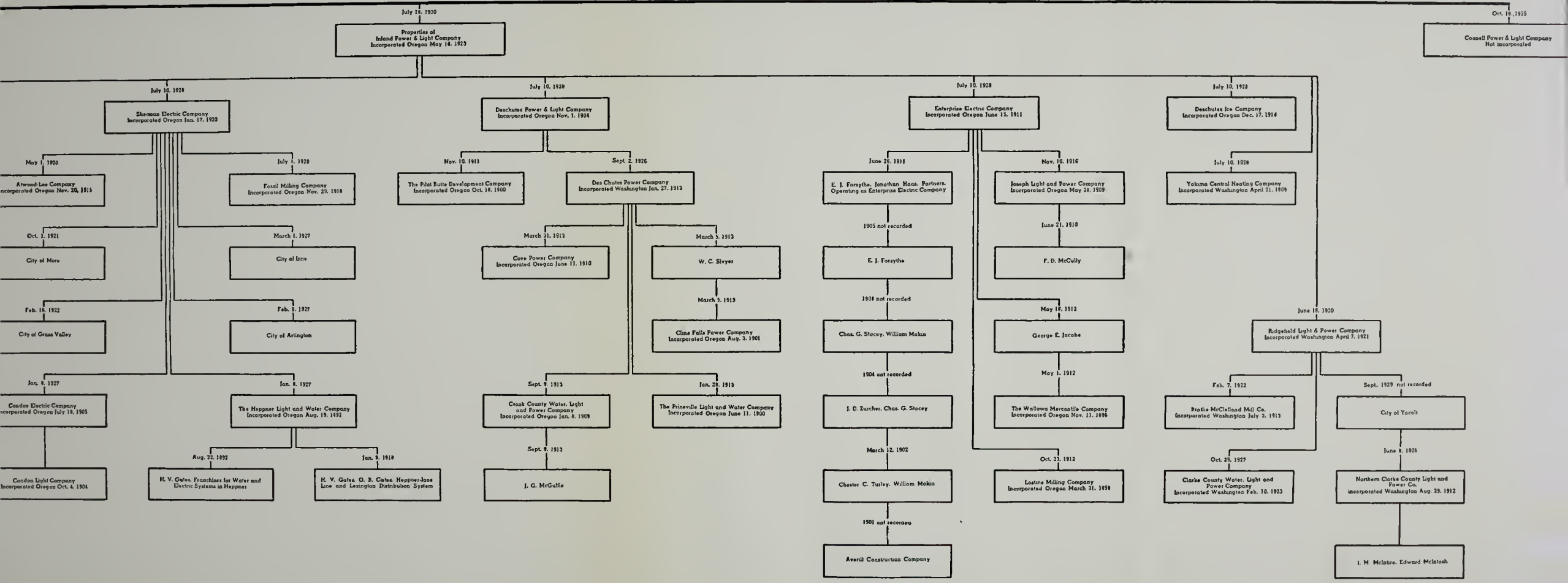

July 29, 1910
Yakima-Pasco Power Company
Incorporated Washington March 31, 1910
May 11, 1910
Northwestern Corporation
Incorporated Washington Feb. 7, 1907
April 8, 1910
Yakima Valley Power Company
Incorporated Washington Sept. 21, 1909
July 31, 1909
Yakima Gas Company
Incorporated Washington Nov. 15, 1905
Jan. 24, 1910
Robert E. Strahorn
Dec. 1, 1905
Isaac W. Anderson
Sept. 1, 1891
Yakima Electric Light Company
Incorporated Washington Jan. 31, 1890
March 27, 1890
Edward Whitson
Aug. 28, 1908
Pasco Light and Water Company
Incorporated Washington May 21, 1906
F. E. Elmendorf
March 25, 1909
Columbia-Basin Water, Light and
Power Company
Incorporated Washington May 22, 1906
Sept. 12, 1906
Clifton A. Cochran
April 12, 1911
The Prosser Power Company
Incorporated Washington Oct. 26, 1908
April 29, 1911
Prosser Water Company
Incorporated Washington Oct. 8, 1910
Feb. 7, 1911
The Prosser Power Company
Jan. 2, 1909
Prosser Falls Land & Power Company
Incorporated Washington Dec. 5, 1904
Aug. 15, 1905
Prosser Falls Land &
Irrigation Company
Incorporated Washington April 4, 1899
April 15, 1907
Prosser Electric Company
Incorporated Washington July 19, 1901
June 13, 1898
Levi Ankeny
April 13, 1907
Alfred W. Z. Thompson
March 22, 1899
March 18, 1899
Prosser Falls Irrigation Company
Incorporated Washington June 9, 1893
George S. Taylor
Sept. 22, 1893
William B. Dudley
Sept. 22, 1893
Fred R. Reed
April 25, 1911
The Klickitat Light & Power Company
Incorporated Washington July 8, 1907
July 9, 1907
The Klickitat Valley Light
and Power Company
Not incorporated
April 27, 1911
Hood River Light & Power Company
Incorporated Oregon Jan. 15, 1910
May 3, 1910
Hood River Electric Light, Power and
Water Company
Incorporated Oregon Nov. 14, 1900
Dec. 10, 1904
Hood River Power and Water Company
Incorporated Oregon Sept. 28, 1904
Feb. 28, 1911
Husum Power Company
Not incorporated
April 19, 1911
Tucannon Power Company
Incorporated Washington March 9, 1903
Oct. 23, 1911
Reservation Electric Company
Incorporated Washington July 6, 1908

CORPORATE DEVELOPMENT DIAGRAM

of

FIC POWER & LIGHT COMPANY




July 10, 1930
Properties of
Inland Power & Light Company
Incorporated Oregon May 14, 1923
Oct. 10, 1935
Connell Power & Light Company
Not incorporated
July 10, 1928
Sherman Electric Company
Incorporated Oregon Jan. 17, 1920
May 1, 1920
Atwood-Lee Company
Incorporated Oregon Nov. 20, 1915
Oct. 1, 1921
City of Moro
Feb. 16, 1922
City of Grass Valley
Jan. 8, 1927
Condon Electric Company
Incorporated Oregon July 18, 1905
Condon Light Company
Incorporated Oregon Oct. 4, 1904
July 1, 1928
Fossil Milling Company
Incorporated Oregon Nov. 25, 1918
March 1, 1927
City of Lone
Feb. 9, 1927
City of Arlington
Jan. 8, 1927
The Heppner Light and Water Company
Incorporated Oregon Aug. 19, 1892
Aug. 22, 1892
H. V. Gates. Franchises for Water and Electric Systems in Heppner
Jan. 8, 1919
H. V. Gates. O. B. Gates. Heppner-Lone Line and Lexington Distribution System
July 10, 1928
Deschutes Power & Light Company
Incorporated Oregon Nov. 1, 1904
Nov. 10, 1911
The Pilot Butte Development Company
Incorporated Oregon Oct. 18, 1900
Sept. 2, 1926
Des Chutes Power Company
Incorporated Washington Jan. 27, 1913
March 31, 1913
Cove Power Company
Incorporated Oregon June 11, 1910
March 5, 1913
W. C. Steyer
March 5, 1913
Cline Falls Power Company
Incorporated Oregon Aug. 3, 1901
Sept. 9, 1913
Crook County Water, Light and Power Company
Incorporated Oregon Jan. 8, 1909
Sept. 9, 1913
J. G. McGuffie
Jan. 28, 1913
The Prineville Light and Water Company
Incorporated Oregon June 11, 1900
July 10, 1928
Enterprise Electric Company
Incorporated Oregon June 15, 1911
June 26, 1911
E. J. Forsythe, Jonathan Haas, Partners, Operating as Enterprise Electric Company
1905 not recorded
E. J. Forsythe
1906 not recorded
Chas. G. Stacey, William Makin
1904 not recorded
J. O. Zurcher, Chas. G. Stacey
March 12, 1902
Chester C. Turley, William Makin
1901 not recorded
Averill Construction Company
Nov. 10, 1916
Joseph Light and Power Company
Incorporated Oregon May 28, 1909
June 21, 1910
F. D. McCully
May 10, 1912
George E. Jacobs
May 1, 1912
The Wallowa Mercantile Company
Incorporated Oregon Nov. 11, 1896
Oct. 23, 1912
Lostine Milling Company
Incorporated Oregon March 31, 1898
July 10, 1928
Deschutes Ice Company
Incorporated Oregon Dec. 17, 1914
July 10, 1928
Yakima Central Heating Company
Incorporated Washington April 21, 1909
June 10, 1920
Ridgefield Light & Power Company
Incorporated Washington April 7, 1921
Feb. 7, 1922
Brothe McClelland Mill Co.
Incorporated Washington July 3, 1913
Oct. 25, 1927
Clarke County Water, Light and Power Company
Incorporated Washington Feb. 10, 1923
Sept., 1929 not recorded
City of Yacolt
June 8, 1926
Northern Clarke County Light and Power Co.
incorporated Washington Aug. 29, 1912
I. M McIntire, Edward McIntosh

CHAPTER II

ASTORIA ELECTRIC COMPANY

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ASTORIA ELECTRIC COMPANY

A John Jacob Astor fur trading party on April 15, 1811, founded the first American settlement west of the Mississippi River at Astoria, at the mouth of the Columbia River in the State of Oregon, making the city the oldest American city in the western portion of the continent. The town remained of little importance save as a fur trading station and port of call for vessels until 1843, when developments began.

In 1850 the population was 252. In 1851 the first sawmill was established. In 1866 the salmon packing industry began and this as well as the lumbering industry developed extensively and formed the basic industries of the community.

The accompanying diagram indicates the development of the electric, gas and street railway utilities until the property of Astoria Electric Company was acquired by Pacific Power & Light Company.

First Electric Service in Astoria

The commencement of the electric utility business in Astoria was made by J. C. Trullinger, who had visited the Centennial Exposition at Philadelphia in 1876, and there having seen the first electric light exhibit, came back to Astoria with the idea of establishing an electric plant as a side line for his sawmill. He ordered two 30-lamp Keith machines at a cost of $7,500 each, including the arc lamps. The dynamos had to be built to order and when the first one was delivered it was set up in the planer shed and connected to an extended line shaft.

A franchise dated November 12, 1885, was granted by the City of Astoria to Mr. Trullinger. A contract for ten street lamps was also obtained from the city; a dry goods store put in four lamps, and the rest of the initial thirty were taken by enterprising saloons and dance halls. Feed wires were strung from house-top to house-top, poles being erected only where vacant lots made too great a gap to be bridged. The initial rate was $16.00 per lamp per month. Current was turned on for the first time about seven-thirty on Christmas eve, 1885.

The Keith dynamos lasted about a year and were replaced by two Thomson-Houston machines. The old Keith dynamos, representing an investment of $15,000, were sold for $150 to an electric company at Salem, Oregon, which wanted spare parts to keep a similar installation in repair.

Formation of West Shore Mills Co.

J. C. Trullinger and his sons, P. A. Trullinger and S. G. Trullinger, on July 3, 1889, incorporated their sawmill and electric business as West Shore Mills Co., an Oregon corporation with capital stock of $100,000. The electric plant was transferred from J. C. Trullinger to the corporation by a deed dated July 10, 1889.

About 1890, a 75-horsepower Thomson-Houston dynamo was purchased to generate current for incandescent lamps and West Shore Mills Co. then solicited for residence as well as commercial business. For business establishments the rate for sixteen-candlepower lamps was 75 cents a month per lamp for lights burning until 10 o'clock, $1.00 for lights burning until 12 o'clock and $1.50 for all-night lights. The residence rate was one-half of the commercial rate, customers being required to agree not to waste current. No information is available concerning the first meter rates.

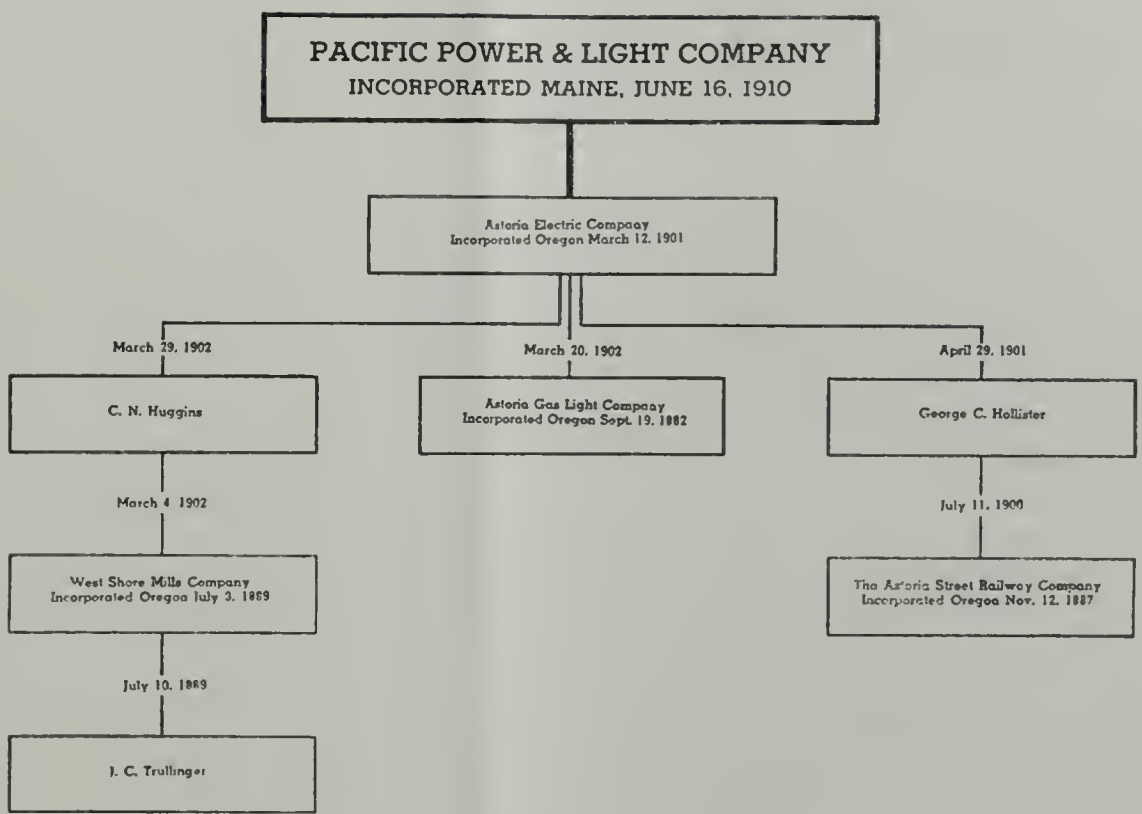
Due to the rapid obsolescence of early equipment and the constant demand for additional capital investment in service facilities, the electric division of the West Shore Mills Co. was far from self-supporting. In 1897, the Trullingers declared they had $75,000 invested in the system. Profits from the lumber business had to be spent for electrical equipment and the project that had promised to convert mill waste into extra dividends was only an added burden. This property was sold to C. N. Huggins as outlined in subsequent paragraphs.

Formation of Astoria Gas Light Company

Astoria Gas Light Company had been incorporated September 19, 1882, in Oregon, by E. W. Leonard, J. W. Case, Chas. S. Wright and C. H. Page, with capital stock of $75,000. On November 2, 1882, a contract was let to J. Elliot Condiet of San Francisco for the erection of a "complete set of gas works" in Astoria for $36,000. Evidently the plant was put into operation about April, 1883, when the directors voted the following rates:

> "Up to 5000 cubic feet per month at the rate of $4.25 per M. From 5000 to 10,000 per month, at $4.25 less 10% rebate. All over 10,000 cubic feet per month, and to any manufacturers who use gas for heating or mechanical purposes at the rate of $4.25 per M. less 20% rebate."

The Astoria Gas Light Company did not seem to prosper, for it is noted that one of the directors at a meeting on February 13, 1885, offered to sell 290 shares of stock at $20.00 per share without a taker and also it is noted that in 1887, it was necessary to start a new gas works. On December 26, 1888, bonds to the amount of $15,000 were authorized. On December 22, 1893, the first issue of $15,000 was taken up and a new issue of $25,000 to run five years at 7% was authorized. This issue of $25,000 was renewed March 1, 1897, for five years and fell due in March, 1902, at which time bonds with a face value of $23,500 were outstanding The maturing of these bonds caused the transfer of the plant and assets of Astoria Gas Light Company to Astoria Electric Company on March 20, 1902. An undated and unsigned engineer's report has recorded the amount invested in Astoria Gas Light Company's plant as of March 1, 1902, to have been $71,737.12.


PACIFIC POWER & LIGHT COMPANY
INCORPORATED MAINE, JUNE 16, 1910
Astoria Electric Company
Incorporated Oregon March 12, 1901
March 29, 1902
March 20, 1902
April 29, 1901
C. N. Huggins
Astoria Gas Light Company
Incorporated Oregon Sept. 19, 1882
George C. Hollister
March 4 1902
July 11, 1900
West Shore Mills Company
Incorporated Oregon July 3, 1889
The Astoria Street Railway Company
Incorporated Oregon Nov. 12, 1887
July 10, 1889
J. C. Trullinger

Formation of The Astoria Street Railway Company

The Astoria Street Railway Company was incorporated November 12, 1887, in Oregon, by J. W. Conn, F. W. Newell, Frank R. Stokes, Martin Foard and W. A. Sherman, with a capital stock of $30,000, of which $15,400 was subscribed. Later, on November 26, 1889, the capital stock was increased to $200,000. After weathering the hard times of the nineties, the company was forced into receivership on account of debt. On December 16, 1899, C. A. Coolidge was appointed receiver. At this time the amount of paid in stock was $45,000. The property had never been bonded.

On July 11, 1900, the property was transferred to George C. Hollister for $25,000. Mr. Hollister represented the General Electric Company and $25,000 was the amount of the debt of The Astoria Street Railway Company to General Electric Company.

Formation of Astoria Electric Company

Astoria Electric Company was incorporated March 12, 1901, in Oregon, by Samuel S. Gordon, Frank R. Stokes and Charles H. Page, with a capitalization of $300,000. Bonds in the amount of $50,000 were issued and General Electric Company took $25,000 of the issue in exchange for the railway property. S. Z. Mitchell, J. A. Cranston, C. N. Huggins, S. S. Gordon and C. H. Page each invested $5,000 in cash. The cash was used to extend the railway line and put in a new power plant, and thereupon the property took on new life. The railway property was transferred to the new company by George C. Hollister on April 29, 1901.

In March, 1902, C. N. Huggins acquired the properties of West Shore Mills Co. and Astoria Gas Light Company. No information is available concerning the amounts paid by Mr. Huggins for either of these properties. The property of West Shore Mills Co. was transferred to him on March 4, 1902. Later in the same month, the properties were transferred to Astoria Electric Company, the gas property being transferred directly by deed dated March 20, 1902, and the electric property by deed from Mr. Huggins dated March 29, 1902. For this property, Mr. Huggins received $140,000 in common stock and $86,000 in bonds of Astoria Electric Company.

The undated and unsigned engineer's report previously mentioned stated that the amount invested in the three properties as of March, 1902, was as follows:

Astoria Gas Light Company	$ 71,737.12
West Shore Mills Co.	71,924.00
Astoria Electric Company (street railway)	79,626.00
	$223,287.12

At this time the total capital stock of Astoria Electric Company, consisting of $300,000, had been issued and the bonded indebtedness was $137,000.

Astor Street Generating Station at Astoria - July, 1910

The Astor Street steam generating station was constructed in 1902. The power apparatus was housed in a brick and corrugated iron structure. At the time Pacific Power & Light Company acquired the property the main generator was a General Electric Company 500 kw, three phase, 60 cycle, 2300 volt machine direct connected to a 1000 horsepower vertical cross-compound, non-condensing McIntosh & Seymour engine. Steam was supplied by one 350 horsepower and two 200 horsepower water tube boilers equipped with wood-burning Dutch ovens and fire bases. The 300 kw single phase generator and 550 horsepower engine originally installed were not in use in 1910.

In 1908, the Hammond Lumber Company, utilizing waste products for fuel, electrified a portion of its mill. At that time a contract was entered into between the Hammond Lumber Company and the Astoria Electric Company for the purchase of electricity from the former. This contract made it possible for the Astoria Electric Company to hold its Astor Street steam plant as a standby. The cost of purchased power was less than the cost of generation by the Astoria Company. The same condition existed when Pacific Power & Light Company acquired the property.

Steam Turbo Generating Plant of Hammond Lumber Company near Astoria - 1910

Status of Astoria Property, July, 1910

On July 29, 1910, the property of Astoria Electric Company was acquired by Pacific Power & Light Company as of July 1, 1910. The systems acquired consisted of electric, gas and street railway utilities with properties and assets briefly described as follows:

Electric Utility

Installed station capacity (kw)	1,025
Miles of pole line	15
Number of customers	1,035
Total feeder output (kwh)	1,891,300
Connected load (kw)	1,425
Gross earnings—Year 1910	$75,669

Gas Utility

Holder capacity (cu. ft.)	35,000
Miles of main	6.8
Number of customers	451
Gross earnings—Year 1910	$12,636

Street Railway Utility

Miles of track	4.5
Number of cars	5
Gross earnings—Year 1910	$37,305

In addition to the above physical assets, the Pacific Company also acquired a going concern together with a well qualified staff of employes, a number of whom are still with the company. The company also had maps and records necessary for adequate control of its operations.

Benefits to Customers from Astoria Acquisition

As distinguished from all the rest of the territory served by Pacific Power & Light Company, the Astoria district (as well as the Seaside district acquired at a later date) is lacking in hydro electric power sites and is served entirely by steam generated electric energy. Largely due to cost of production, the rate reductions are not comparable to those in districts served by hydro electric power. However, even though the taxes on electric property increased from about $1,500 in 1910 to a high point of more than $71,000 in 1930 as shown on Chart 9, the average cost per kilowatt hour to the customer for residence service decreased from approximately ten cents in 1925 to a little more than four cents in 1938. The average annual use of electricity per customer for residence service has increased from about 250 kilowatt hours in 1925 to approximately 800 in 1938. It is not possible to obtain service statistics separately for the Astoria district for years earlier than 1925, this district having been combined with the Seaside district prior to that year. Residence

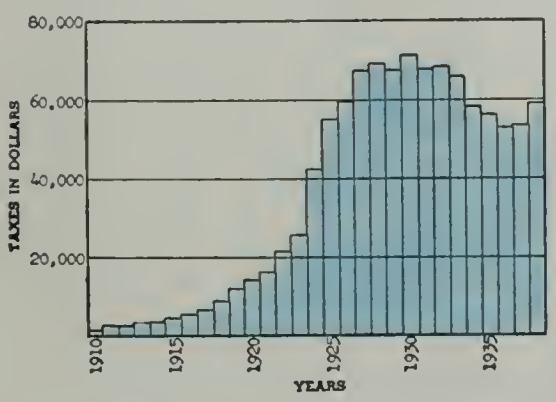


CHART 9—Real and Personal Property Taxes Paid on Electric Property — Clatsop County, Oregon

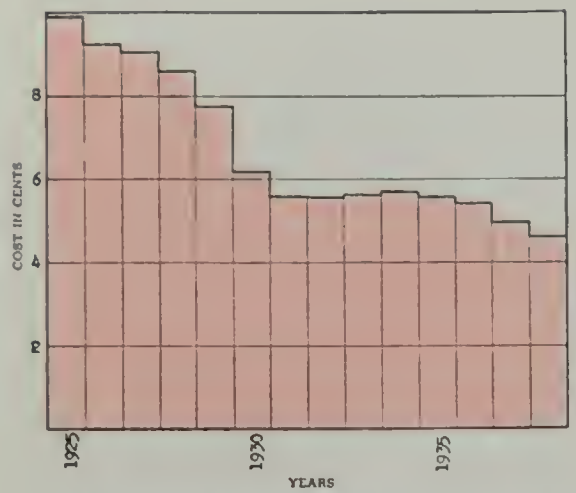


CHART 10—Average Cost Per Kilowatt Hour - Residence Service - Astoria District, Oregon

service statistics for the Pacific system are not available prior to 1922 as both residence and commercial service were furnished under a single rate schedule prior to that time. The increased use of electric energy has been augmented to a great extent by the intensive new business development and sales activities of the company. In 1922 the entire business district of the City of Astoria was destroyed by fire which handicapped all forms of business and municipal activity. In spite of this great disaster, Pacific Power & Light Company, along with other citizens of the community, started to rebuild the facilities that had been lost as a result of the conflagration and, in spite of increased taxes made necessary to support governmental operations and the terrific setback that the community had received, the company progressively reduced its rates and continued its policy of aggressive sales activity.

The cost of residence service for 25, 40, 100, 150 and 250 kilowatt hours under the rates of the Astoria Electric Company, the first rates of Pacific Power & Light Company in that territory and the rates effective March 1, 1939, are shown on Chart 12.

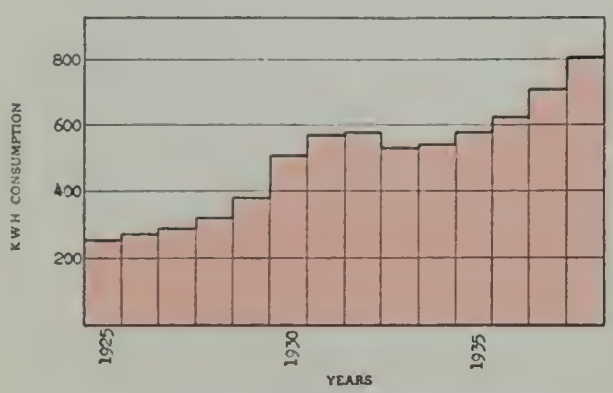


CHART 11—Average Kilowatt Hour Use - Residence Service - Astoria District, Oregon

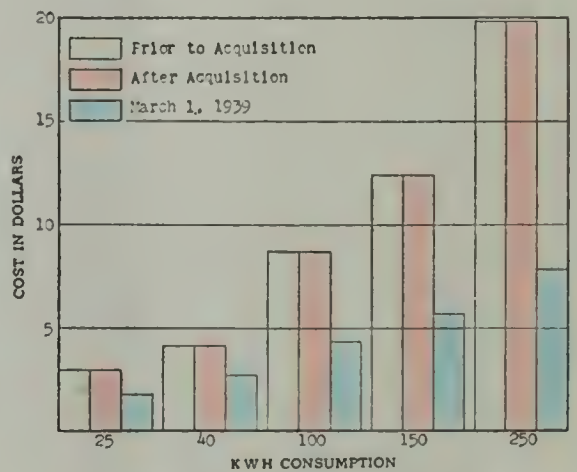


CHART 12—Cost of Residence Service - Astoria, Oregon

In the latter part of 1919, the construction of the Astoria Steam Generating Station, located near the city limits of Astoria on Youngs Bay, was commenced. This plant consisted of a reinforced concrete building with a 3000 kw generator as the initial installation. About five

Astoria Steam Generating Station - Built in 1920 by Pacific Power & Light Company

years later a 5000 kw unit was added. This plant is used to supply electric energy to the entire Astoria-Seaside system. The installation of this modern plant has insured continuous and satisfactory service to this isolated system and has also replaced the old obsolete and inefficient plant that served this territory prior to acquisition by the Pacific Company.

CHAPTER III

COLUMBIA POWER & LIGHT COMPANY

CHAPTER III
COLUMBIA POWER & LIGHT COMPANY

The properties acquired from Columbia Power & Light Company included the electric and gas systems in Walla Walla, Washington, and in Pendleton, Oregon, the gas system in Lewiston, Idaho, and the electric systems in The Dalles and Dufur, Oregon. The corporate development of these systems is indicated on the following diagram.

Settlement of Walla Walla, Washington

The territory around Walla Walla was first settled in the days of the Hudson's Bay Company. Fort Walla Walla was established in 1818 under British rule and was located at the mouth of the Walla Walla River about thirty miles west of the present city of Walla Walla. In 1836, Dr. Marcus Whitman established his mission at Waiilatpu and maintained this location until the massacre which occurred in November, 1847. In subsequent years there were a number of skirmishes throughout the Walla Walla Valley, and during one of these campaigns, a new Fort Walla Walla was built. This work was finished on November 20, 1856, and was the real beginning of the city in its present location.

The principal sources of income of the region about Walla Walla are wheat and stock raising, fruit and vegetable growing and dairying.

Formation of Walla Walla Gas Company

The first public utility in Walla Walla was the Walla Walla Gas Company, which was incorporated September 5, 1881, by A. Pierce and Charles M. Patterson, under the laws of the Territory of Washington. The capital stock of the company was $50,000. No information is available concerning the operations of this company.

Formation of The Walla Walla Gas and Electric Company

The Walla Walla Gas and Electric Company was incorporated September 12, 1889, by Thomas Quinn, Chris Ennis, A. R. Burford, C. E. Burrows and J. L. Jones, under the laws of the Territory of Washington, to manufacture, generate and sell gas and electricity. The capital stock was a total of $100,000. The property and franchise of Walla Walla Gas Company was transferred to the new company on December 7, 1889. A franchise for an electrical system had been granted to C. E. Burrows and his associates (the incorporators of the new company) by the City of Walla Walla on June 19, 1888. C. E. Burrows was secretary of Walla Walla Gas Company at the time of transfer and the amount paid for the gas company is not known.

No information is available concerning the date when electricity was first supplied in Walla Walla. However, it is known that a 100 horsepower Ball tandem compound steam

engine was installed in 1890, for driving one or more dynamos. In 1892, The Walla Walla Gas and Electric Company harnessed the power of Mill Creek, five miles east of Walla Walla, to operate a double-nozzle Pelton wheel driving a 100 kw, 133 cycle, single phase generator of the old composite wound Thomson-Houston "A 100" type. This generator delivered power at 2000 volts directly to a single circuit line running to the substation at Walla Walla. Here a similar generator was used as a synchronous motor to drive the line shafting to which were belted the several dynamos furnishing current for the arc and incandescent lighting of the town. The steam plant was used as an auxiliary at this time.

In the year 1900, there was considerable agitation to improve the quality of service being furnished and at least two opposition companies obtained franchises from the city but did not succeed in establishing any actual electrical systems. It was stated at that time that the capacity of the light plant was 350 horsepower. Shortly afterwards, the capacity of the steam plant was increased to take care of the growth in load.

On September 1, 1903, the property was transferred to Isaac W. Anderson, who was consolidating the utility systems in the vicinity of Walla Walla and Pendleton. This transaction will be further discussed in subsequent paragraphs under Northwestern Gas and Electric Company. Newspaper reports stated that the sale involved approximately $150,000, but the deed did not record the cost.

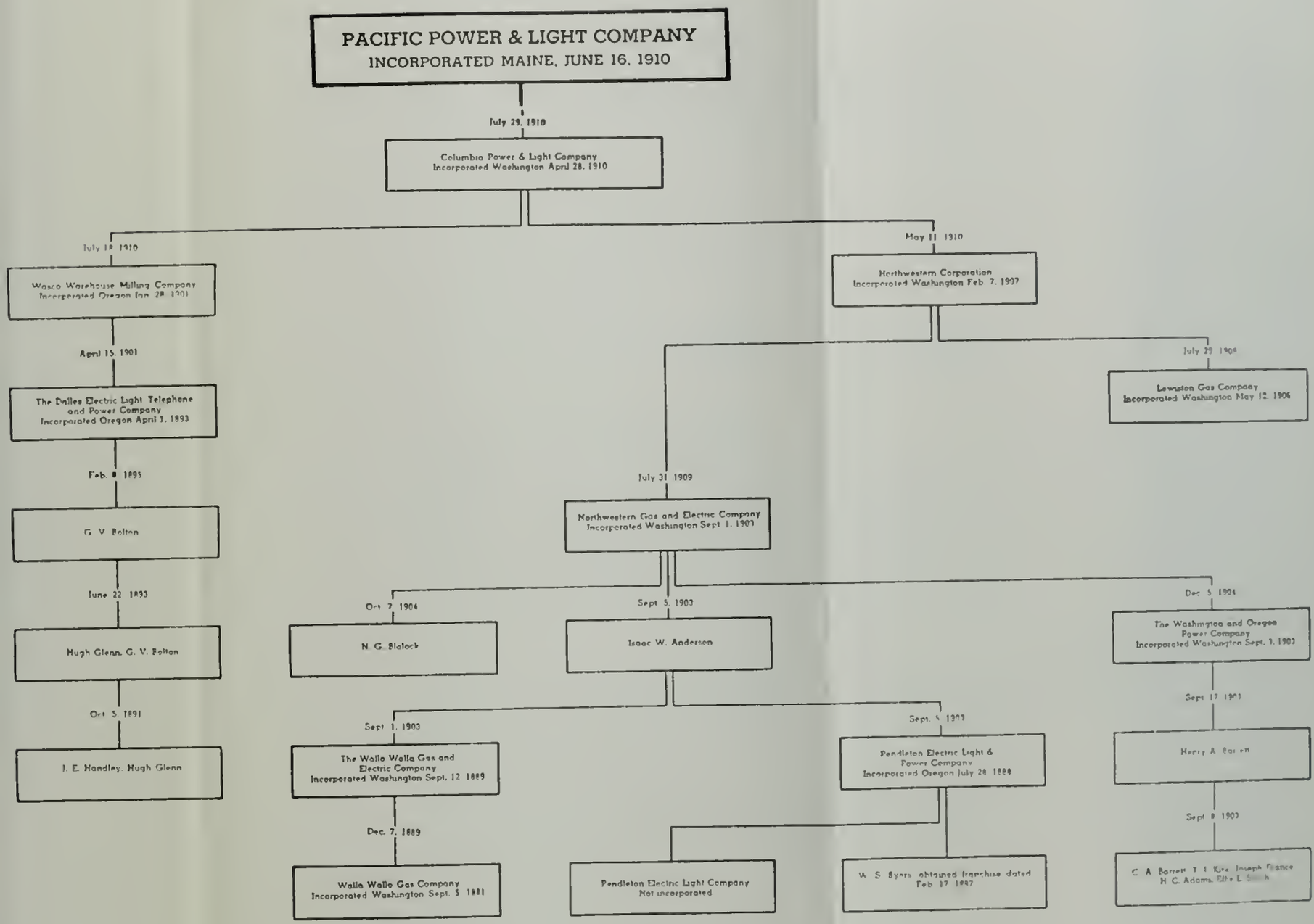
Settlement of Pendleton, Oregon

The community of Pendleton had been formed in 1868 as the county seat of Umatilla County, Oregon. At that time the only incorporated town in the county was Umatilla and it was voted to move the county seat to a location to be decided by a commission. By 1878, the town had a population of approximately 500. The Oregon Railroad & Navigation Company built a railroad to Pendleton in 1883, since which time the town has had a steady and uninterrupted growth.

Besides wheat and cattle and sheep raising, Pendleton has flour mills and a woolen mill. It is also well known as the home of the Pendleton Round-up, a famous annual Wild West show and celebration.

The first franchise granted for an electric light plant in Pendleton was granted to W. S. Byers on February 17, 1887. Mr. Byers installed a Heisler machine to operate in connection with his flour mill.

In June of the same year, the Pendleton Electric Light Company also started a plant. There is no record of the incorporation of this company. The plant consisted of a compound machine installed at the foundry of the Pendleton Manufacturing Company.


PACIFIC POWER & LIGHT COMPANY
INCORPORATED MAINE, JUNE 16, 1910
July 29, 1910
Columbia Power & Light Company
Incorporated Washington April 28, 1910
July 19 1910
Wasco Warehouse Milling Company
Incorporated Oregon Jan 28 1901
April 15, 1901
The Dalles Electric Light Telephone and Power Company
Incorporated Oregon April 1, 1893
Feb. 8 1895
G. V. Bolton
June 22 1893
Hugh Glenn, G. V. Bolton
Oct 5, 1891
J. E. Handley, Hugh Glenn
May 11 1910
Northwestern Corporation
Incorporated Washington Feb. 7, 1907
July 29 1908
Lewiston Gas Company
Incorporated Washington May 12, 1906
July 31 1909
Northwestern Gas and Electric Company
Incorporated Washington Sept 1, 1903
Oct 7 1904
N. G. Blalock
Sept 5, 1903
Isaac W. Anderson
Dec 5 1904
The Washington and Oregon Power Company
Incorporated Washington Sept. 1, 1903
Sept 17 1903
Henry A. Barron
Sept 8 1903
C. A. Barrett, T. I. Kirk, Joseph Pearce, H. C. Adams, Effie L. Smith
Sept 1, 1903
The Walla Walla Gas and Electric Company
Incorporated Washington Sept. 12 1889
Dec. 7, 1889
Walla Walla Gas Company
Incorporated Washington Sept. 5 1881
Sept. 5 1903
Pendleton Electric Light & Power Company
Incorporated Oregon July 28 1888
Pendleton Electric Light Company
Not incorporated
W. S. Byers obtained franchise dated Feb 17 1887

Formation of Pendleton Electric Light & Power Company

Pendleton Electric Light & Power Company was incorporated July 28, 1888, by W. S. Byers, R. G. Thompson, and S. Z. Mitchell, under the laws of the State of Oregon, with a capital stock of $25,000. It was a consolidation of the two plants previously mentioned, but there is no record of any formal transfer of the properties to the new company. Three new dynamos were installed, together with a large water turbine, to furnish the necessary power. These were installed at the Byers mill. The dynamos consisted of a Thomson-Houston electrical machine with a capacity of fifty arc lamps and two Edison dynamos with a combined capacity of 500 16-candlepower incandescent lamps.

The initial flat rates were described as follows: "Allowed 5-16 C.p. lights to a house, (with understanding that not more than three would be in use at the same time) $5.00 per month." The first meter rates were $0.20 per kilowatt hour.

It is recorded that by the summer of 1890 the electric plant had cost $35,000 and was driven by steam power. It was also stated at the same time that the plant would soon be doubled in capacity to supply the demand.

Formation of Northwestern Gas and Electric Company

On September 5, 1903, the property of Pendleton Electric Light & Power Company was transferred to Isaac W. Anderson. The sale price is not recorded. On the same date, Mr. Anderson transferred both the Pendleton electric system and the Walla Walla gas and electric systems to Northwestern Gas and Electric Company, which he and George Ladd Munn had incorporated on September 1, 1903, under the laws of the State of Washington. The capital stock of this company was $650,000.

The consideration for the purchase of the Pendleton and Walla Walla properties was $250,000 of twenty-five-year six per cent bonds and 3,494 shares of common stock. The company also assumed the liability of the outstanding bonds of The Walla Walla Gas and Electric Company amounting to $90,000. On December 21, 1905, the capital stock of Northwestern Gas and Electric Company was increased by the authorization of $350,000 in eight per cent cumulative preferred stock. The company became interested in the construction of a hydroelectric plant on the Walla Walla River, which will be discussed in the following paragraphs.

About the year 1900, C. A. Barrett, T. J. Kirk, Joseph France, H. C. Adams and Effie E. Smith acquired water rights and rights-of-way on the Walla Walla River. They called themselves the Athena Light & Power Company, but never incorporated. They acquired a franchise in Walla Walla in 1900, and erected a few light poles on Park Street to retain their franchise. On September 8, 1903, they transferred all their properties, water rights and franchises to Henry A. Barrett for $10,000.

Formation of The Washington and Oregon Power Company to Construct the Walla Walla River Plant

The Washington and Oregon Power Company was incorporated on September 3, 1903, (incorporators unknown) with a capital stock of $300,000. The purpose of the company was to construct a power plant on the Walla Walla River. The present plant, known as Walla Walla River Generating Station, was originally constructed by this company. Henry A. Barrett transferred the water rights and properties which he had acquired from C. A. Barrett and his associates to this company on September 17, 1903. Isaac W. Anderson was president of The Washington and Oregon Power Company and when the plant was nearly completed, the property was transferred to Northwestern Gas and Electric Company. This transfer was made by deed dated December 5, 1904. N. G. Blalock had previously acquired some water rights on the Walla Walla River and these were also transferred to Northwestern Gas and Electric Company on October 7, 1904. The cost to the company of these rights is not known.

Operations Under Northwestern Gas and Electric Company

After the completion of Walla Walla River Generating Station, the Northwestern Gas and Electric Company had no active competition in this area. However, its troubles started in 1906, when there were floods on Walla Walla River and a good deal of the headworks and flow line was carried away. Pendleton was without service for a number of days, since the steam plant which had previously served it had either been removed or was not able to operate. Walla Walla had a steam plant which gave partial service. The headworks were rebuilt and the flow line was moved out of the bed of the stream to a location along the canyon wall.

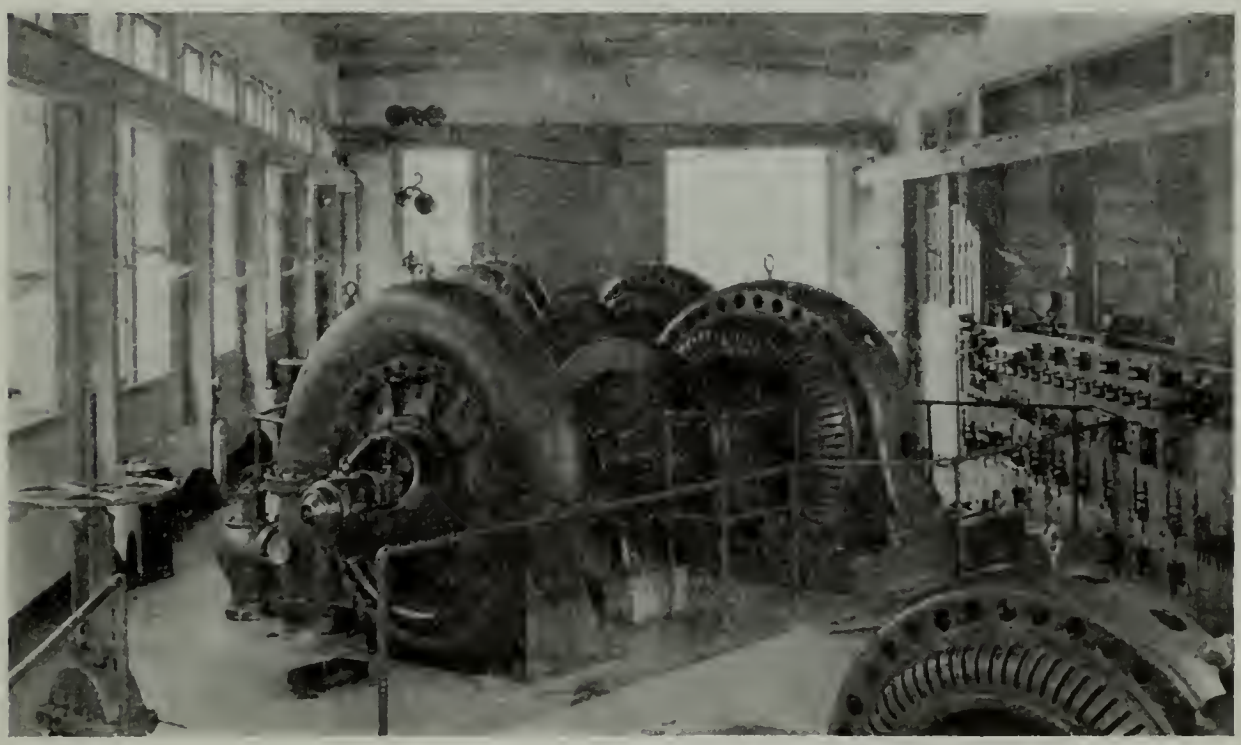
In November, 1905, Northwestern Gas and Electric Company obtained a franchise from the City of Pendleton for a gas plant and immediately started construction of a coal gas plant and gas distribution system.

In the latter part of the year 1907, the flat rates for electricity were $0.45 per 16 candlepower light per month and $0.65 per 32 candlepower light per month. The meter rates were $0.12½ per kilowatt hour for the first 100 hours for business houses and $0.15½ per kilowatt hour for the first 50 hours for residence consumption. No information is available concerning the second steps. The power rate was a fixed charge of $1.00 per horsepower of demand and $0.08 per kilowatt hour for the first 100 hours, $0.06 for next 100 hours and $0.05 for excess over 200 hours.

Formation of Northwestern Corporation

On July 31, 1909, all the properties of Northwestern Gas and Electric Company were transferred to Northwestern Corporation. Isaac W. Anderson and Robert E. Allen, who were president and secretary, respectively, of the old company, were incorporators of Northwestern Corporation. This company had been incorporated February 7, 1907, under the laws of the State of Washington with capital stock of $5,000,000 in 50,000 shares of $100.00 each, and a bond issue of $850,000. It was organized to take over all the Anderson syndicate holdings in

Walla Walla River Generating Station - July, 1910



Interior of Walla Walla River Plant - 1910

electric and gas properties in Washington, Oregon, and Idaho, and the Walla Walla Valley Traction Company, also an Anderson property, operating the city street car lines in Walla Walla and an interurban line to Milton, Oregon.

Idaho Gas Company had been incorporated on May 12, 1906, (incorporators unknown) under the laws of the State of Washington with an authorized capital stock of $200,000. At a later date the name was changed to Lewiston Gas Company. All the stock was issued to Isaac W. Anderson for the Lewiston gas property which he had acquired. No information is available concerning this property and it is not now owned by Pacific Power & Light Company. On July 29, 1909, this property was transferred to Northwestern Corporation.

Formation of Columbia Power & Light Company

Columbia Power & Light Company was incorporated April 28, 1910, by E. M. Scanlon and James P. Stapleton, under the laws of the State of Washington, with an authorized capital stock of $3,000,000 in 30,000 shares of $100.00 each. The company acquired as of May 1, 1910, from Northwestern Corporation the Walla Walla electric, the Walla Walla gas, the Pendleton electric, the Pendleton gas, the Lewiston gas and the Walla Walla Valley railway properties, subject to their bonded indebtedness. The bonded indebtedness included $81,000 of The Walla Walla Gas & Electric Company, $526,000 of Northwestern Gas & Electric Company and $495,000 of Walla Walla Valley Railway Company.

Settlement of The Dalles, Oregon

In 1820, a post of the Hudson's Bay Company was established at The Dalles, but it did not remain long. In 1838 a Methodist mission was founded, followed in 1848 by a Catholic mission. In 1847 and 1848 volunteer troops made it their headquarters during the Cayuse war, and in 1850 a company of United States troops was stationed there to protect the immigrants from predatory Indians. This last event led to the founding of Dalles City, which is now commonly known as The Dalles, for the first house was built in 1851 at this point.

Great quantities of wheat, wool, vegetables, hay, flour and livestock are shipped from The Dalles annually. The raising of fruits and vegetables is also very extensive in the vicinity.

First Electric Service in The Dalles

The first franchise for an electric light system in The Dalles was granted June 30, 1888, to J. E. Handley and Hugh Glenn. A small steam plant was built consisting of two 15 kw generators run by a Corliss steam engine.

J. E. Handley died and his half interest was sold on October 5, 1891, to G. V. Bolton for the sum of $10,000, so that from this time Hugh Glenn and G. V. Bolton were partners in the venture. Just prior to this time, a great deal of the system had been lost in a fire and

Mr. Glenn had been forced to borrow money to rebuild the system and make necessary improvements.

The service was not very dependable in the period of 1891-1892 and it was not uncommon for the lights to be out for a week at a time.

Finally, on account of financial difficulties, on June 22, 1893, Mr. Glenn sold his half interest to G. V. Bolton for the sum of $7,500. Mr. Bolton represented French Bros., the pioneer bank of The Dalles, and was acquiring the electric business for the French family.

Formation of The Dalles Electric, Telephone and Power Company

On January 20, 1892, G. V. Bolton, Geo. C. Blakeley, H. C. Nielsen and George Ruch had incorporated a company by the name of The Dalles Electric, Telephone and Power Company with a capital stock of $40,000. A franchise was granted to this company by the city on February 6, 1893. On April 1, the same year, the city granted a new franchise, which replaced the one previously given, but this time it was granted to The Dalles Electric Light, Telephone and Power Company. Apparently the company incorporated on January 20, 1892, did not actually engage in the electrical business.

Formation of The Dalles Electric Light, Telephone and Power Company

The Dalles Electric Light, Telephone and Power Company was incorporated April 1, 1893, under the laws of the State of Oregon, with a capital stock of $50,000. The incorporators were the same as for the previous company, and G. V. Bolton deeded his electric plant to the new company on February 8, 1895. The president and secretary of this company were two of the French brothers.

On October 17, 1893, a new steam plant was installed in The Dalles. This consisted of an Ames boiler of 125 horsepower capacity (which was used with the 100 horsepower boiler then in use), a Lane & Bodley Corliss 225 horsepower engine, two Edison dynamos, each of eight hundred twenty 16 candlepower light capacity and a Thomson-Houston fifty arc light dynamo. In the late spring of 1894, flood waters covered the steam plant and the city was without lights for a period of three weeks.

Acquisition of Electric Property by Wasco Warehouse Milling Company

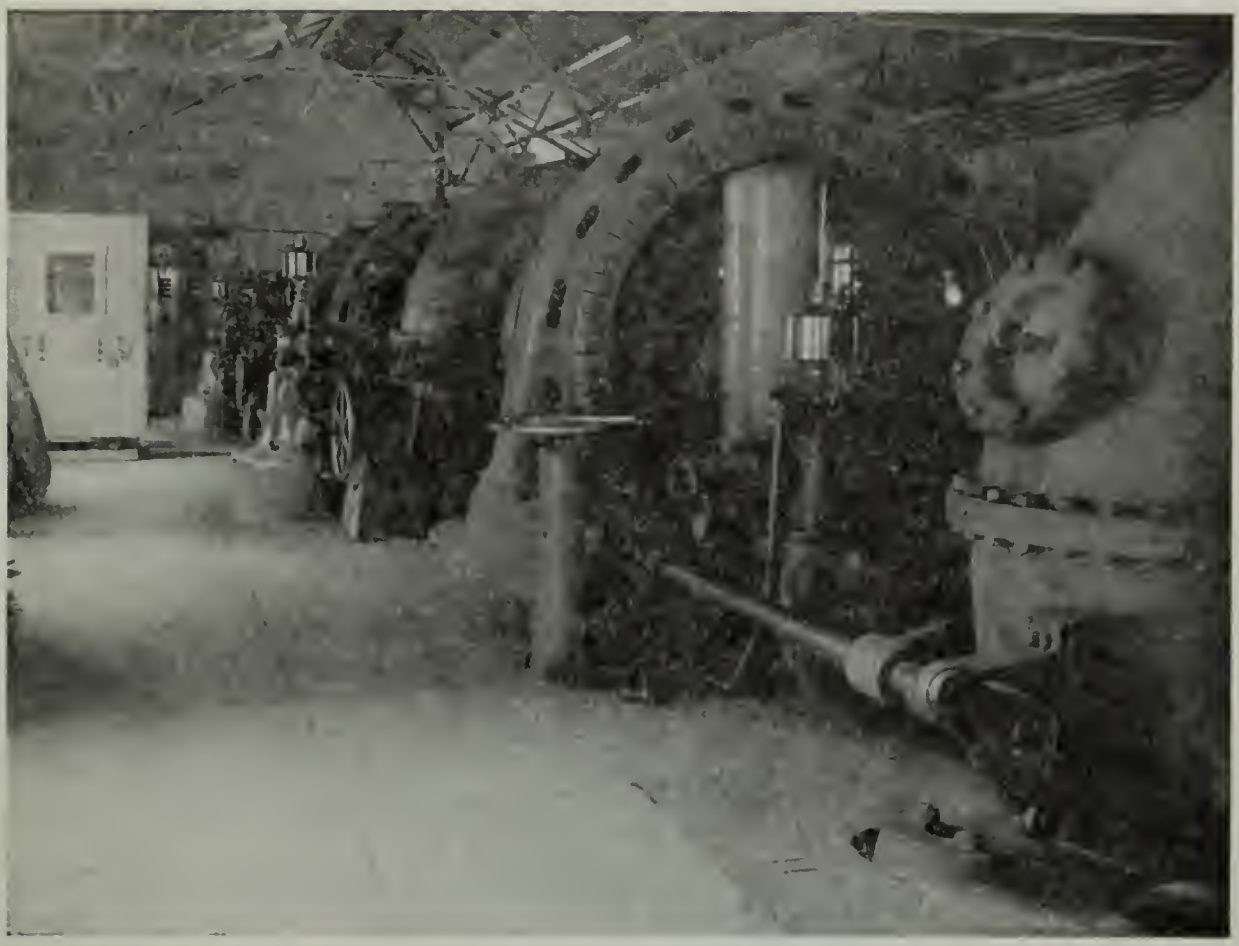
The facilities of the steam plant were not sufficient to take care of any industrial load of any size. At this time the Wasco Warehouse Milling Company was being organized and it was necessary for it to find a dependable source of power to run the milling machinery. An attempt was made to secure power from a hydro power project at Hood River, but when this failed to materialize a site on White River was purchased. This is the location of the present Tygh Valley generating station.

Wasco Warehouse Milling Company was incorporated January 28, 1901, by D. M. French, Smith French, J. W. French, E. O. McCoy, B. F. Laughlin, Frank Seufert, W. Lord and J. C.

Yager, under the laws of the State of Oregon, with a capital stock of $150,000. Its object at that time was flour milling. However, on March 23, 1901, supplementary articles of incorporation were filed adding the purpose of engaging in the electrical enterprise and increasing the capital stock to $300,000. As soon as it was determined to develop electric power on White River, it was apparent that there would be excess power for sale. On April 15, 1901, Wasco Warehouse Milling Company purchased the property of The Dalles Electric Light, Telephone and Power Company for the sum of $52,000. The property was to be transferred as of October 1, 1901, and the milling company had definitely decided to enter the electrical utility business.

The construction of the powerhouse and hydraulic works and the transmission line to The Dalles was commenced in the spring of 1901. The machinery was installed and the plant commenced operating early in January, 1902.

Tygh Valley Generating Station - as it appeared December 31, 1936.



Interior of Tygh Valley Generating Station - July, 1910.

The original installation at Tygh Valley consisted of two generators each of 500 kw with Knight turbines. These turbines were not very satisfactory and they were being replaced by Pelton wheels at the time Wasco Warehouse Milling Company sold its electric plant. The steam plant had been sold for $4,000 in March, 1904, so that there had been no standby plant after that time.

On July 18, 1910, the electric property of Wasco Warehouse Milling Company was sold to Columbia Power & Light Company for a consideration of $270,000.

Status of Columbia Power & Light Company, July, 1910

The properties of Columbia Power & Light Company, with the exception of the Walla Walla Valley Railway Company property, were acquired by Pacific Power & Light Company as of July 1, 1910, by a deed dated July 29, 1910. The systems acquired consisted of electric and gas utilities with properties and assets briefly described as follows:

Electric Utility

Installed station capacity (kw)	4,250
Miles of pole line (transmission and distribution)	181
Number of customers	3,530
Total feeder output (kwh)	13,600,000
Connected load (kw)	5,970
Gross earnings—Year 1910	$276,305

Gas Utility

Holder capacity	181,000
Miles of main	45.7
Number of customers	2,450
Gross earnings—Year 1910	$79,759

The physical properties acquired by Pacific Company constituted two important going concern units of integration.

Benefits to Community and Customers from the Acquisition of the Walla Walla - Pendleton System

In the system acquired from Columbia Power & Light Company in Walla Walla County, Washington, and in Umatilla County, Oregon, Pacific Company has contributed extensively to the support of local government through the payment of taxes. As shown on Chart 13, the real and personal property taxes increased from approximately $7,000 in 1910 to a maximum of more than $44,000 in 1928. In 1933, the State of Washington adopted a sales and revenue tax and reduced the real and personal property tax to a basic levy of forty mills. Including this revenue tax for Walla Walla County, Washington, the total annual tax contribution for local purposes in these two counties has reached more than $55,000 and represents a continuous increase in tax payments by the company throughout the years.

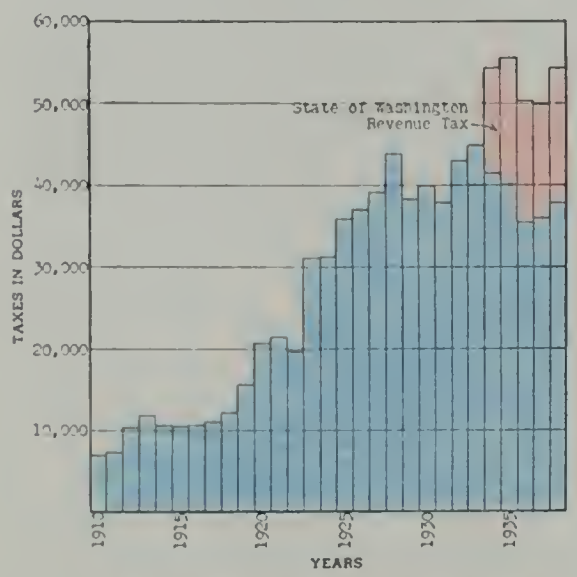


CHART 13—Real and Personal Property Taxes Paid on All Company Property - Walla Walla County, Washington, and Umatilla County, Oregon

Pacific Power & Light Company just after acquisition of the Columbia Power & Light Company properties connected the Walla Walla-Pendleton system to the Yakima-Pasco system and by economies in operation and by an aggressive load building and development program was able to substantially reduce rates to its customers. It is not possible to segregate residence and commercial service prior to 1922 as both classes of service were carried under a single rate schedule at that time. Chart 14 shows that the average cost per kilowatt hour for residence

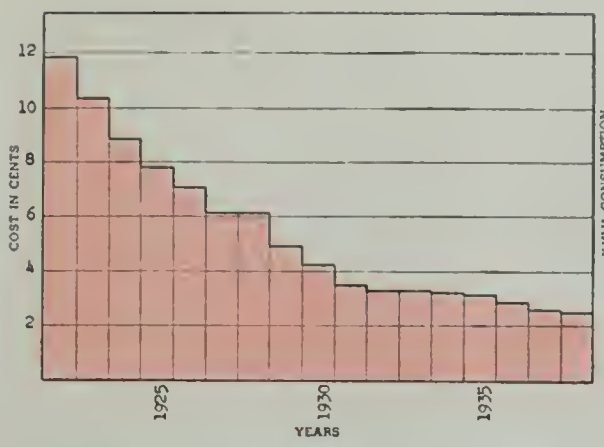


CHART 14—Average Cost Per Kilowatt Hour - Residence Service - Walla Walla District, Washington

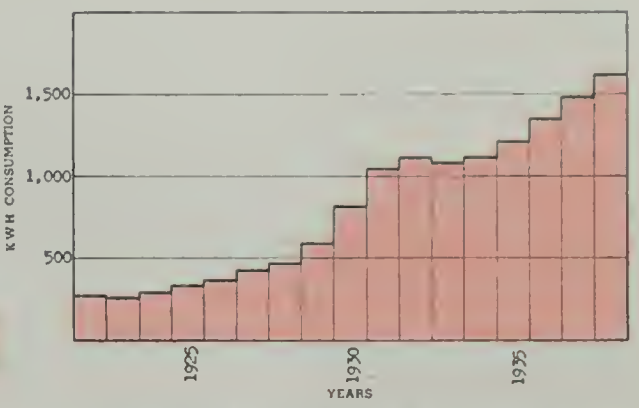


CHART 15—Average Kilowatt Hour Use - Residence Service - Walla Walla District, Washington

service in the Walla Walla, Washington, district has decreased from almost twelve cents in 1922 to less than three cents in 1938.

At the same time the average annual use per residence customer has increased from approximately 250 kilowatt hours in 1922 to about 1600 in 1938 as shown on Chart 15.

The Company has extended its services to large numbers of new rural and other customers who use relatively small quantities of electric energy compared to the uses of older customers. On this account the charts do not reflect the reductions in average cost per kilowatt hour and the increases in average annual kilowatt hour use of the customers who have been using service over a period of years.

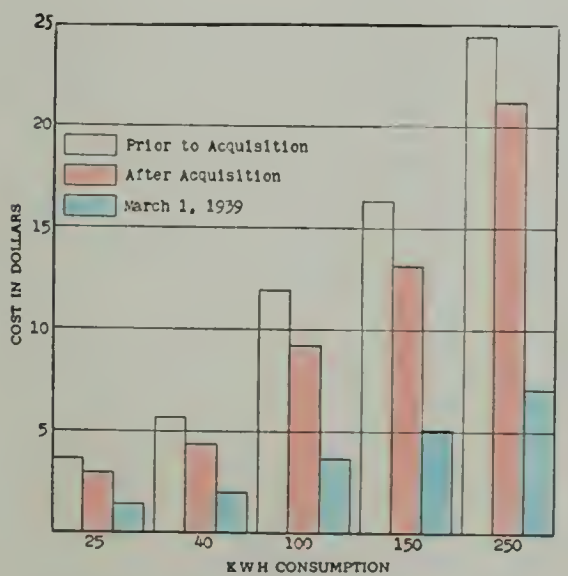


CHART 16—Cost of Residence Service - Walla Walla, Washington

This district has had a fairly steady and uniform development. The customers have been able to purchase appliances and to enjoy the advantages of the use of electricity. Pacific Power & Light Company has contributed to the development of these counties by encouraging the development of new industries such as vegetable canning. The canning of vegetables has been advanced to such a degree that approximately one-sixth of the canned peas in the United States comes from this area.

The cost of residence service for 25, 40, 100, 150 and 250 kilowatt hours under

the rates of Columbia Power & Light Company (Chart 16), the first published rates of the Pacific Company and the rates as of March 1, 1939, show the continuing decrease in the price of this service.

The construction of an additional transmission line from Pasco to Pendleton in 1924 and the construction of transmission substations and switching centers at Walla Walla and Freewater have improved to a very great extent the service in the Walla Walla-Pendleton area over that prevailing prior to acquisition.

Benefits to the Community and Customers from the Acquisition of The Dalles System

The system acquired in Wasco County, Oregon, from Columbia Power & Light Company, consisted of the hydro generating station located on the White River near the town of Tygh Valley, substations and distribution systems of The Dalles and Dufur and a 22,000 volt transmission line from the Tygh Valley generating station through Dufur to The Dalles.

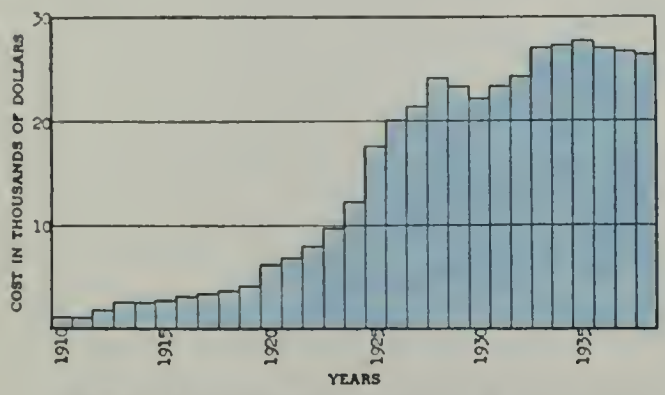


CHART 17—Real and Personal Property Taxes Paid on Electric Property - Wasco County, Oregon

In this district the contribution made to the welfare of the community in the form of real and personal property taxes is indicated on Chart 17. The taxes increased from $1,060 in 1910 to $26,650 in 1938.

The original transmission line has been replaced by a 66,000 volt line which was constructed to improve service in the district. A transmission line was constructed in 1911 to connect the Hood River and The Dalles systems. The construction of a tie line from the Condit generating station of Northwestern Electric Company to Hood River and the purchase of power from that company provided a sufficient amount of power for the demands in both The Dalles and Hood River. The construction of the Powerdale generating station at Hood River in 1922 completed the task of unifying The Dalles-Hood River system. Under the predecessor company management the existence of only a single source of supply afforded service much less satisfactory than that available from the unified system with three sources of supply.

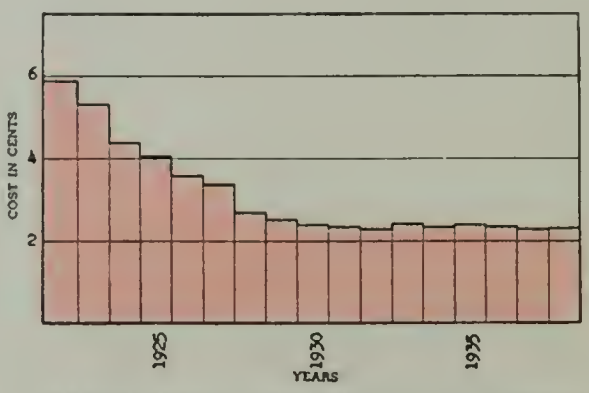


CHART 18—Average Cost Per Kilowatt Hour - Residence Service - The Dalles District, Oregon

The integration of this system by Pacific Company and the additional lower cost sources of supply made available to supplement the original generating station contributed to the reduction of the average cost per kilowatt hour, while cost of living as a whole was progressively increasing.

As shown by the charts the average cost per kilowatt hour for residence service decreased from a level of about six cents in 1922 to slightly over two cents in 1938, while the average annual use per customer increased in the same period from less than 500 to more than 2000 kilowatt hours. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

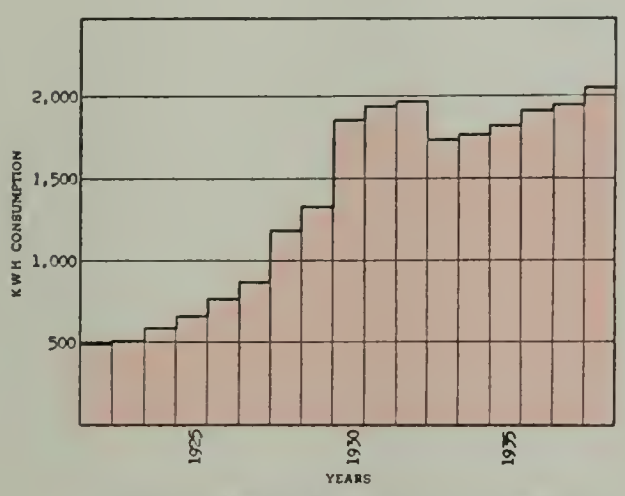


CHART 19—Average Kilowatt Hour Use - Residence Service - The Dalles District, Oregon

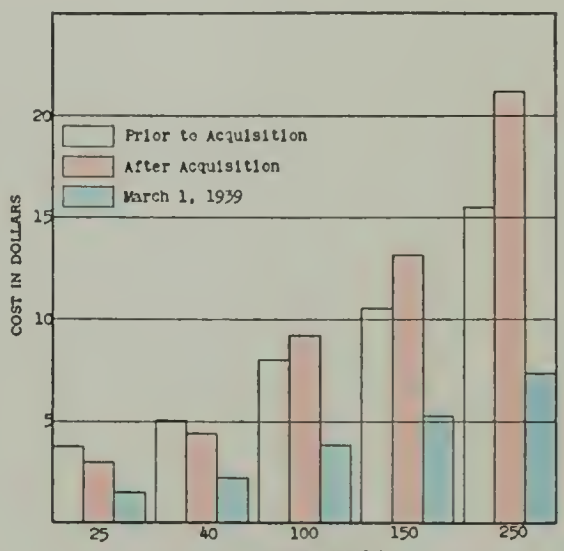


CHART 20—Cost of Residence Service - The Dalles, Oregon

The cost of residence service for 25, 40, 100, 150, and 250 kilowatt hours under the rates of Wasco Warehouse Milling Company, the first published rates of the Pacific Company, and the rates as of March 1, 1939, are shown on Chart 20 for The Dalles.

In 1930, a 75-mile transmission line was built to connect the Yakima-Walla Walla system to The Dalles-Hood River system. This made possible the interchange of power between the larger sources of supply in the Northwest and insured practically uninterrupted service not only to The Dalles-Hood River system, but to all parts of the Main Power System.

CHAPTER IV

YAKIMA-PASCO POWER COMPANY

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The properties acquired from Yakima-Pasco Power Company included the electric systems in North Yakima (now called Yakima), Sunnyside, Pasco and Kennewick, Washington, as well as a number of smaller communities. Included also were hydro generating stations at Naches and Fruitvale, steam generating stations at Kennewick and Naches and a transmission line connecting the various stations with the communities served. The gas and water systems acquired at this time, with the exception of the water system at Kennewick, were subsequently sold. The corporate development of these systems is indicated on the following diagram and the discussion of the history of each system follows.

Settlement of Yakima, Washington

When the Northern Pacific Railway Company built its railroad through the Yakima Valley, the property owners of Yakima City, a small town which had existed for several years, could not agree with the railway company on a plan for the promotion of the townsite. The company therefore platted the townsite of North Yakima at a point about four miles north of Yakima City, and undertook to move nearly all the business buildings and residences from the old city to the new. This was in the spring of 1885 and marked the beginning of North Yakima, now known as the City of Yakima.

Yakima is the center of a large fruit growing territory from which apples, pears and other fruits are shipped to many parts of the country. One of the principal industries is the refrigeration, packing and processing of these fruits.

First Electric Service in Yakima

The first franchise in Yakima was granted to George F. Woolston during the early part of the year 1889, to establish a power plant to serve the community with electricity and water. Due to a severe illness, Mr. Woolston was delayed in putting his plan into operation and his franchise was repealed. Three other franchises were granted during the year 1889, but none of them resulted in the construction of any plant.

On January 13, 1890, a franchise was approved granting to Edward Whitson the privilege of operating a power plant and water system in the City of Yakima for a period of twenty-five years. Work began immediately on the project, which was to be completed by June 15, 1890, unless weather conditions or inability to secure materials prevented.

Formation of Yakima Electric Light Company and Yakima Water Company

On January 31, 1890, two companies were incorporated, one for the electric business and one for the water business. Yakima Electric Light Company was incorporated by Edward Whitson, James B. Reavis and Fred Parker, under the laws of the State of Washington, with a capital

stock of $50,000. On March 27, 1890, Mr. Whitson transferred his electric plant, then under construction, and electric franchise to this company.

Yakima Water Company was incorporated January 31, 1890, by the same persons as above, under the laws of the State of Washington, with a capital stock of $150,000. On March 27, 1890, Mr. Whitson transferred his water plant, then under construction, and water franchise to this company.

By the first of May fifty men were at work on the water works and a large force on the ditch. Water was to be taken from the Naches River four and one-quarter miles from Front Street in Yakima, and carried by ditch and flume for three miles to the powerhouse. Two large pumps were installed at the powerhouse, and two dynamos for the arc and incandescent lights, the whole costing approximately $150,000. The city agreed to pay Whitson $144.00 per year for each of seven arc lights of 2,000 candlepower for a period of ten years. Electric lights were turned on for the first time on September 4, 1890, temporary power from the planing mill being used until the water wheels arrived.

Formation of Yakima Water, Light and Power Company

Yakima Water, Light and Power Company was incorporated June 2, 1891, under the laws of the State of Washington, with an authorized capital stock of $300,000. This company was also organized by Whitson and his associates and the properties of the other companies were transferred to it on September 1, 1891.

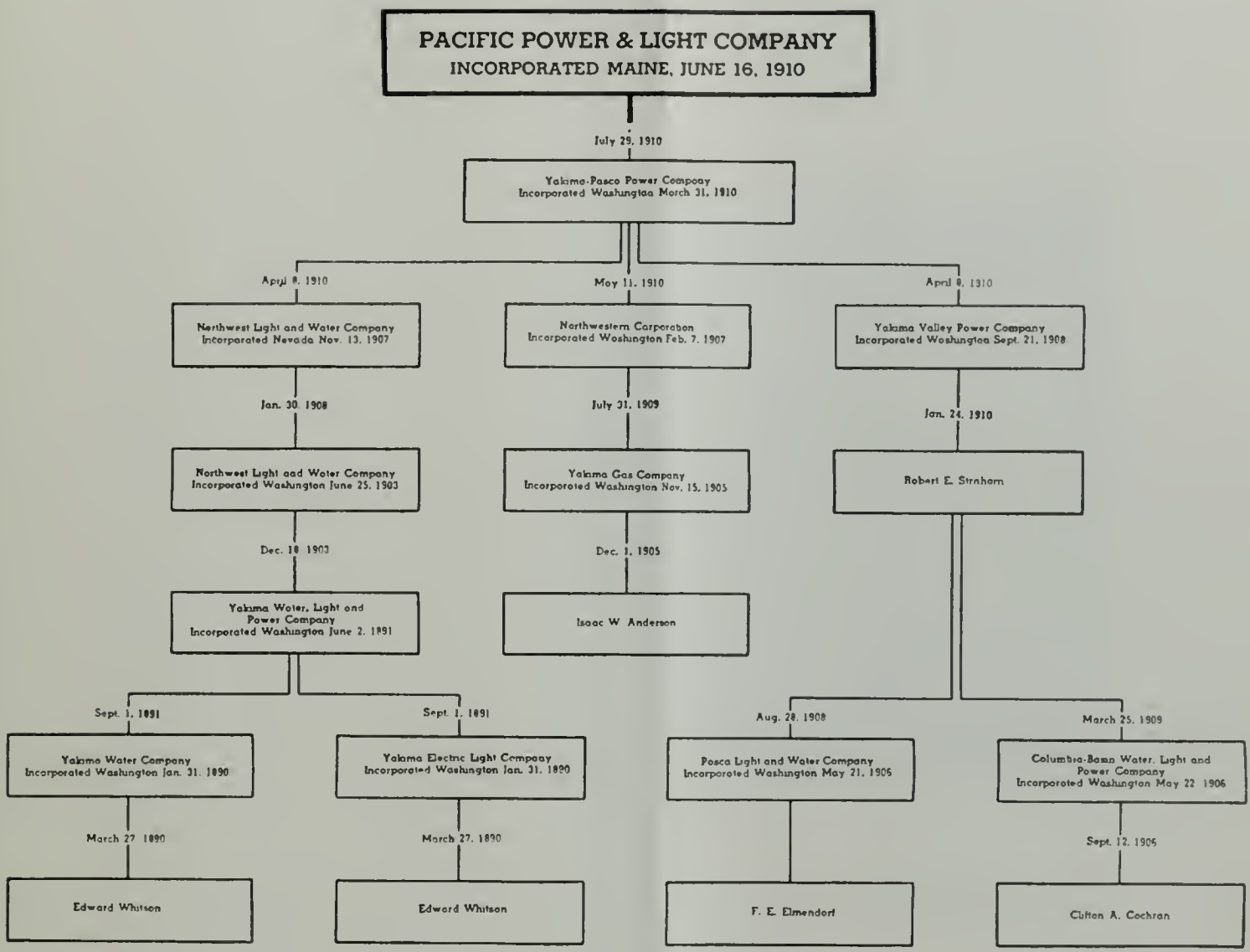
A new electric franchise and the site for the Fruitvale power plant were acquired September 1, 1891. On December 24, the City installed two additional arc lights and the charge was reduced to $7.50 per light per month. The City of Yakima had made a substantial and steady growth and the census of 1900 showed that the population had increased to 3,154.

By February 20, 1903, after the expenditure of many thousands of dollars on improvements, the company announced the addition of two new dynamos and that it was ready to establish a day circuit. On September 27, 1903, the electric franchise in Yakima was extended for a period of thirty-seven years.

Formation of Northwest Light and Water Company (Washington)

Northwest Light and Water Company was incorporated on June 25, 1903, by Robert E. Strahorn, A. G. Smith and R. J. Danson, under the laws of the State of Washington, with a capital stock of $500,000. Robert E. Strahorn was president and A. G. Smith was secretary-treasurer of the new company. On December 18, 1903, all the properties of Yakima Water, Light and Power Company were transferred to the Northwest Light and Water Company.

On June 24, 1904, an agreement for a new franchise was reached between the city council and the Northwest Light and Water Company whereby the company agreed to make a general reduction of 25 per cent on the light rates in force and to establish a minimum rate of seventy-five cents. Due to the installation of meters, lights were to be charged for by the amount of


PACIFIC POWER & LIGHT COMPANY
INCORPORATED MAINE, JUNE 16, 1910
July 29, 1910
Yakima-Pasco Power Company
Incorporated Washington March 31, 1910
April 8, 1910
Northwest Light and Water Company
Incorporated Nevada Nov. 13, 1907
May 11, 1910
Northwestern Corporation
Incorporated Washington Feb. 7, 1907
April 8, 1910
Yakima Valley Power Company
Incorporated Washington Sept. 21, 1908
Jan. 30, 1908
Northwest Light and Water Company
Incorporated Washington June 25, 1903
July 31, 1909
Yakima Gas Company
Incorporated Washington Nov. 15, 1905
Jan. 24, 1910
Robert E. Strahorn
Dec. 10, 1903
Yakima Water, Light and
Power Company
Incorporated Washington June 2, 1891
Dec. 1, 1905
Isaac W. Anderson
Sept. 1, 1891
Yakima Water Company
Incorporated Washington Jan. 31, 1890
Sept. 1, 1891
Yakima Electric Light Company
Incorporated Washington Jan. 31, 1890
Aug. 28, 1908
Pasco Light and Water Company
Incorporated Washington May 21, 1905
March 25, 1909
Columbia-Basin Water, Light and
Power Company
Incorporated Washington May 22, 1906
March 27, 1890
Edward Whitson
March 27, 1890
Edward Whitson
F. E. Elmendorf
Sept. 12, 1905
Clifton A. Cochran

electricity used. The water rates were to be settled by August 1st, but it was some time later before they were approved. The agreement provided for a meter system, the meter to be furnished by the company, and the customer to install and pay rent for its use.

In November, 1904, Northwest Light and Water Company purchased the Wapatox Ditch from Naches Valley farmers in order to make improvements to the water and light system in Yakima. The company promised to carry out the provisions of the former contract to water the lands in the Naches Valley. The site of the new power plant was eleven and one-half miles up the Naches River and a new set of generating equipment was to be installed in the 5,000 horsepower plant.

Naches Generating Station - December 31, 1936

The new thirty-year franchise which was granted on December 20, 1904, contained provisions for the charges to be made for electric and water services. The electric charges were as follows:

First	25	kwh	$0.20	per	kwh
26 to	40	"	0.19	"	"
41 to	60	"	0.18	"	"
61 to	150	"	0.17	"	"
151 to	250	"	0.16	"	"
251 to	500	"	0.15	"	"
501 to	1000	"	0.14	"	"
Over	1000	"	0.13	"	"

A discount of 25 per cent from these rates was to be allowed if the consumer paid the month's bill before the 10th of the following month. The minimum residence rate on incandescent lights was to be $0.75 per month.

On June 7, 1905, a movement was started by a group of citizens to purchase the water system. The city council appointed a committee to confer with President Strahorn. He informed them that the water works were not for sale. In August, 1906, they decided to hold a special election for the purpose of condemning and purchasing the water system. The company brought an injunction to prevent the election. Interest in the issue dwindled and the case was dismissed.

Extreme temperatures, flood conditions, lack of fuel and delay in the transportation of equipment hindered the completion of the Naches plant and the machinery was not installed as early as predicted. By September 14, 1907, the first unit of 1500 horsepower had been installed. This unit comprised a generator, a water wheel and a steam engine. At this time a new office building was being constructed at the corner of Second and "A" streets in Yakima and a new filtration bed for the water system was also being constructed.

Formation of Northwest Light and Water Company (Nevada)

On November 13, 1907, a company by the same name, Northwest Light and Water Company, was incorporated by Robert E. Strahorn, A. G. Smith, R. J. Danson and E. D. Doyle, under the laws of the State of Nevada, with an authorized capital of $1,000,000, of which $937,400 was issued. This company took over the franchises, plant and business of the old company by a deed dated January 30, 1908. The new company exchanged $598,600 of its stock for a like amount in the older company and assumed the liability on $270,000 in bonds of Yakima Water, Light and Power Company and $230,000 in bonds of the Northwest Light and Water Company (Washington) then outstanding. It operated this property until it was acquired by the Yakima-Pasco Power Company on April 8, 1910.

Formation of Yakima Gas Company

Several false starts were made in the establishment of a gas system in Yakima. In October, 1903, a franchise to form a gas company was granted to Chas. B. Hurley of Tacoma. It was proposed to erect a plant costing between $60,000 and $75,000, with completion the following May. In June, 1904, the franchise was revoked when work was not commenced within the time specified, and a new franchise was granted to Wm. Dunn of Seattle and A. F. Campbell of Yakima. This franchise also was revoked because the construction was not commenced in time.

In June, 1905, a gas franchise was granted to Isaac W. Anderson, who started a gas plant in July of the same year. The Minneapolis Acetylene Construction Company had charge of the work and completion was guaranteed by December 1st.

Yakima Gas Company was incorporated November 15, 1905, by W. A. Aldrich and Ira P. Englehart, under the laws of the State of Washington, with a capital stock of $100,000.

Isaac W. Anderson was associated in the ownership of this company and conveyed his interests in the gas system to the company by a deed dated December 1, 1905.

On July 31, 1909, the property of Yakima Gas Company was transferred to Northwestern Corporation, which has been previously discussed. On May 11, 1910, the Yakima gas system was transferred to the Yakima-Pasco Power Company.

Settlement of Pasco and Kennewick, Washington

Pasco, on the north bank of the Columbia, and Kennewick, just opposite on the south bank, are located at the confluence of the Snake and Yakima rivers with the Columbia River. They are located on three railway lines. Pasco, the older of the two, is a railroad center and was founded in 1884, when the Northern Pacific Railroad was built. These two cities are located in an irrigated area well known for the growing of grain, vegetables and fruits.

Formation of Pasco Light and Water Company

The first franchise for an electric and water system in Pasco was granted early in March, 1906, to Clifton A. Cochran, but Cochran did not sign the contract and no plant was built by him.

On May 1, 1906, a franchise was granted by the Town of Pasco to F. E. Elmendorf, which he accepted. The electric plant was to be fully completed and in operation by March 1, 1907.

Mr. Elmendorf and his associates, George H. Doerr, Thomas H. Brewer, W. S. Gilbert and W. O. Parker, all residents of Spokane, incorporated the Pasco Light and Water Company on May 21, 1906, under the laws of the State of Washington, with a capital stock of $25,000. On October 4, 1907, the capital stock was increased to $50,000. There is no record of the transfer of the franchise from Mr. Elmendorf to the company which he formed.

The original light plant consisted of a 100 horsepower gas producer engine belted to a 75 kva generator. The first lights were turned on about February 1, 1907. A new steam plant was built in the early part of 1908 and put into service on July 14, 1908. This consisted of a 175 horsepower Atlas engine, an Atlas boiler and a 120 kw 2200 volt Westinghouse generator. About the 10th of August, a fire of unknown origin totally destroyed the new powerhouse and the town was without lights and water. Within twenty-four hours, pumps had been installed to give water service, but the town was without electricity for several months.

The Pasco Light and Water Company was sold to Robert E. Strahorn on August 28, 1908. Mr. Strahorn started work to again put in electric service and a submarine cable was laid in order to connect with the plant in Kennewick. This connection was completed on December 31, 1908.

Formation of Columbia-Basin Water, Light and Power Company

On December 27, 1905, a franchise was granted to Clifton A. Cochran for a light and water system in the Town of Kennewick. The first installation of an electric plant consisted of a

75 horsepower Atlas steam engine belted to a 50 kva generator, and a 2300 volt three phase distribution system.

Columbia-Basin Water, Light and Power Company was incorporated May 22, 1906, by Clifton A. Cochran, Calvin E. Wood and Albert L. Smith, under the laws of the State of Washington, with a capital stock of $25,000. Clifton A. Cochran transferred his franchise and uncompleted plant to the company on September 12, 1906. Service was first given about February 1, 1907, but shortage of coal caused the lighting to be discontinued for as much as a week at a time shortly after this date.

The property of Columbia-Basin Water, Light and Power Company was sold to Robert E. Strahorn on August 24, 1908, for $11,400 in cash and $48,600 in bonds. The recorded date of transfer is March 25, 1909. Mr. Strahorn held these properties in his name until January 24, 1910, when they were transferred to Yakima Valley Power Company.

Formation of Yakima Valley Power Company

Yakima Valley Power Company was incorporated September 21, 1908, under the laws of the State of Washington, with a capital stock of $300,000. Robert E. Strahorn, A. G. Smith and R. J. Dawson were the incorporators of this company. Robert E. Strahorn received for the Pasco and Kennewick water and electric systems $320,250, including $200,000 in common stock and $100,000 in bonds.

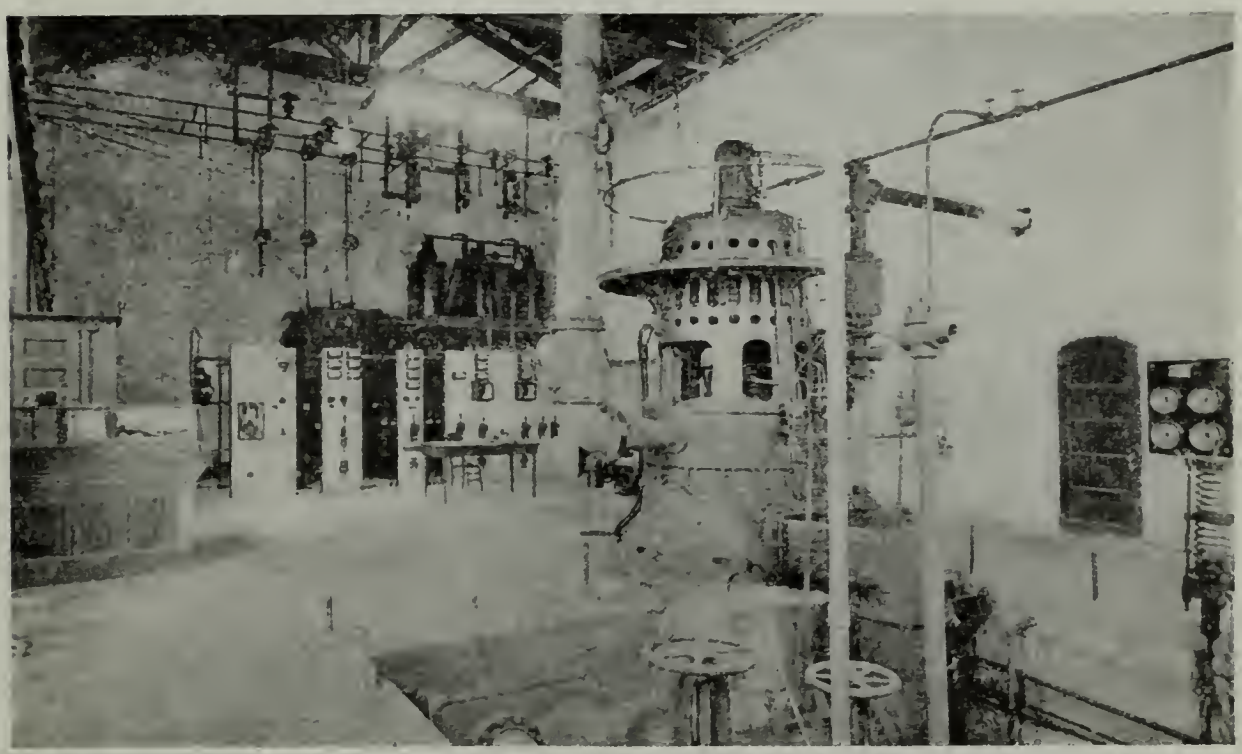
Kennewick Steam Generating Station - July 1, 1910.

After the acquisition of the Pasco and Kennewick systems by Strahorn and the Yakima Valley Power Company, construction was begun on a 500 kw steam plant in Kennewick and a transmission line from Kennewick to Yakima and Naches to tie in with the Northwest Light and Water Company, also, as shown above, a Strahorn property. Distribution systems were installed in Sunnyside and Mabton in the year 1909.

In November, 1909, the following reduction in rates is recorded..

Size	Old Rate	New Rate
100 watt — 80 c.p.	$2.00	$1.50
60 watt — 48 c.p.	1.60	1.25
40 watt — 32 c.p.	1.25	1.00
25 watt — 20 c.p.	1.00	0.75

On October 22, 1909, it was announced that the company would install two new boilers in the Kennewick steam plant. Each boiler would be 150 horsepower in capacity. This improvement was completed about December 1, 1909. On April 8, 1910, the property was acquired by the Yakima-Pasco Power Company.



Interior of Kennewick Steam Generating Station - July 1, 1910.

Formation of Yakima-Pasco Power Company

Yakima-Pasco Power Company was incorporated March 31, 1910, by E. M. Scanlon and James P. Stapleton, under the laws of the State of Washington, with an authorized capital

stock of $3,000,000, divided into 30,000 shares with par value of $100.00. It was organized to take over electric, gas and water properties in the Yakima Valley. The company issued all of its capital stock except the directors' shares for the properties acquired by it, which included the Yakima electric, water and gas systems, the Kennewick electric and water systems, the Pasco electric and water systems, and the plants and transmission lines of the electric companies acquired. The bonds assumed included $133,000 of Yakima Water, Light and Power Company, $63,000 of Northwest Light and Water Company and $14,000 of Yakima Valley Power Company.

Status of Yakima-Pasco Power Company, July, 1910

All the physical property of Yakima-Pasco Power Company was transferred to Pacific Power & Light Company by a deed dated July 29, 1910. The electrical system at that time had sufficient generating capacity to supply the needs of the people living within the area, but not enough to allow for a very great increase in the use of electrical energy. The systems acquired consisted of electric, gas and water utilities, some of the facilities of which are listed below:

Electric Utility

Installed station capacity (kw)	6,600
Miles of pole line (transmission and distribution)	192
Number of customers	2,791
Gross earnings—Year 1910	$240,807

Gas Utility

Holder capacity (cu. ft.)	30,000
Miles of main	19
Number of customers	1,123
Gross earnings—Year 1910	$36,168

Water Utility

Reservoir capacity (gal.)	2,300,000
Miles of main	45
Number of customers	2,964
Gross earnings—Year 1910	$73,553

The electrical properties acquired from Yakima-Pasco Power Company, like those acquired from Columbia Power & Light Company and already discussed, were necessary in the formation of an integrated and unified system.

Benefits to Community and Customers from the Acquisition of the Yakima-Pasco Power Company Properties

In the system acquired from Yakima-Pasco Power Company, Pacific Company has contributed extensively to the support of local government through the payment of taxes. As shown on Chart 21, the annual real and personal property taxes increased from approximately $18,000 in 1910 to a maximum of more than $104,000 in 1932. In 1933, the State of Washington adopted a sales and revenue tax and reduced the real and personal property tax to a basic levy of forty mills. Including this revenue tax the total annual tax contribution for local purposes in this portion of the system has reached a total of more than $140,000. This represents a continuous increase in tax payments by the company throughout the years.

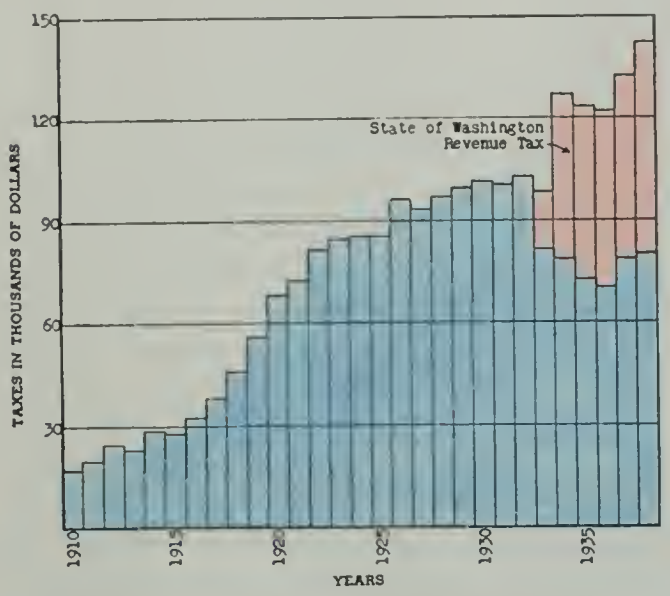


CHART 21—Real and Personal Property Taxes Paid on All Company Property - Yakima, Benton, Franklin and Grant Counties, Washington

As already described under the acquisition of the Walla Walla-Pendleton system, Pacific Power & Light Company connected these two systems in the latter part of 1910. By the economy of operating a more unified system and by an aggressive load building program, the rates for electrical service have been substantially reduced. It is not possible to segregate residence and commercial service prior to 1922, as both these classes of service were carried under a single rate schedule previous to that time. Chart 22 illustrates that the average cost per kilowatt hour for residence service in the Yakima district has decreased from approximately ten cents in 1922 to less than three cents in 1938. At the same time the average annual

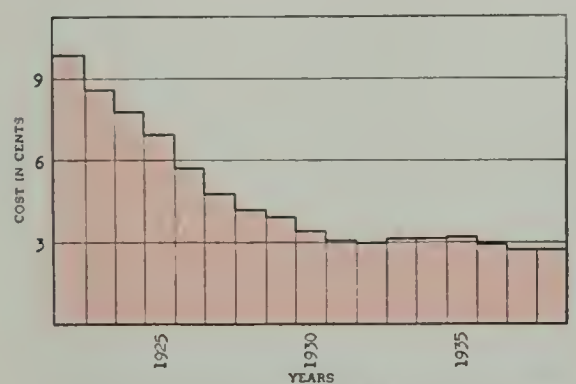


CHART 22—Average Cost Per Kilowatt Hour - Residence Service - Yakima District, Washington

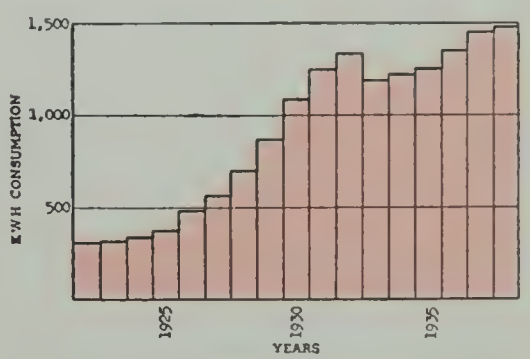


CHART 23—Average Kilowatt Hour Use - Residence Service - Yakima District, Washington

kilowatt hour use for residence service only for the entire Yakima district has increased from approximately 300 kilowatt hours in 1922 to approximately 1,500 per customer in 1938. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

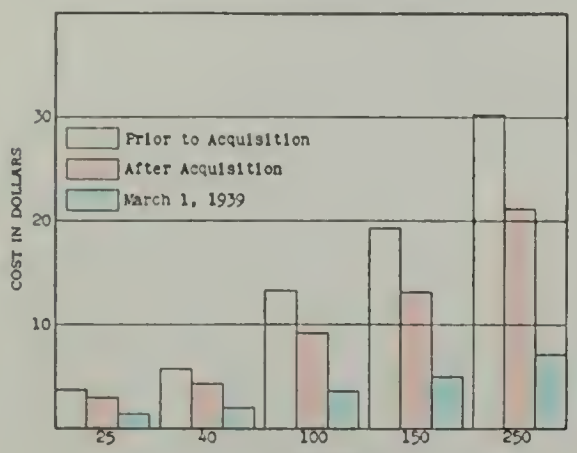


CHART 24—Cost of Residence Service - Yakima, Washington

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

The territory involved in this acquisition has experienced a considerable business development and extension along with the development of the Pacific Power & Light Company enterprise. This development has been aided by the Pacific Company's activities in furthering industrial development in the area.

The cost of residence service in the City of Yakima for 25, 40, 100, 150 and 250 kilowatt hours, under the rates of Yakima-Pasco Power Company, the first published rates of the Pacific Company and rates effective March 1, 1939, show the continuing decrease in the cost of this service to customers.

Shortly after the acquisition of this property, the capacity of Naches generating station was increased and the Naches Drop Plant was constructed. When the load increased to such an extent as to indicate the necessity for more power capacity, the company, having first investigated the possibility of making its own developments, decided to purchase energy and entered into a contract with The Washington Water Power Company for its additional power requirements. It was necessary to construct a number of transmission lines to tie all the sources of power together and a central switching and control station was constructed at Pasco. The construction of these transmission lines and the control station completed the task of unifying the entire Yakima-Walla Walla-Pendleton system and insured under integrated operation the continuity of service which was not possible under the separate systems of the predecessor companies.

In 1930, a transmission line was constructed from Union Gap to Condit to tie together the Yakima-Walla Walla-Pendleton system and The Dalles-Hood River system. This made necessary the construction of a control station at Union Gap. With the completion of this transmission line and substation, interchange of power between the larger sources of power supply

in the Northwest was made possible. Improved service was insured to all parts of the Pacific Company's Main Power System. This type of service had not previously been available to the isolated systems which made up the Main Power System.

Posco Substation - constructed in 1918 by Pacific Power & Light Company.

Union Gap Substation - constructed in 1930 by Pacific Power & Light Company.

CHAPTER V

PACIFIC POWER & LIGHT COMPANY

ACQUISITIONS, GROWTH AND DEVELOPMENT

1910 - 1929

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PACIFIC POWER & LIGHT COMPANY

ACQUISITIONS, GROWTH AND DEVELOPMENT

1910 - 1929

Pacific Power & Light Company, after the acquisition of the properties of Astoria Electric Company, Columbia Power & Light Company and Yakima-Pasco Power Company described in Chapters III, IV and V, owned and operated the nucleus of two systems which it was to fully unify and integrate. Shortly after the purchase of these properties in July, 1910, construction was commenced on a transmission line from Walla Walla to Pasco to connect the Yakima-Pasco and Walla Walla-Pendleton systems. This line was constructed of wood poles for operation at 66,000 volts. By December, 1910, the line was complete excepting the steel for the tower crossing over the Snake River.

As early as 1910, the company had decided to interconnect the major parts of its property and integrate the same for more economical operation in an endeavor to supply its customers service at lower rates on all of its property located east of the Cascade Range. A map of the company's property made at that time included a proposed transmission line along the Columbia River from The Dalles to Wallula which would have interconnected all the properties owned at that time with the exception of the Astoria property.

Status of Pacific Power & Light Company, July, 1910

As of July 1, 1910, the property of Pacific Power & Light Company is briefly tabulated as follows:

Electric Utility

Number of communities served	17
Installed capacity (kw)	11,875
Miles of pole lines	388
Number of customers	7,356
Gross earnings	$592,781

Other Utilities

Gas systems	5
Water systems	3
Street railway system	1

A list of the seventeen communities served by the company in 1910, together with their populations as of that date follows:

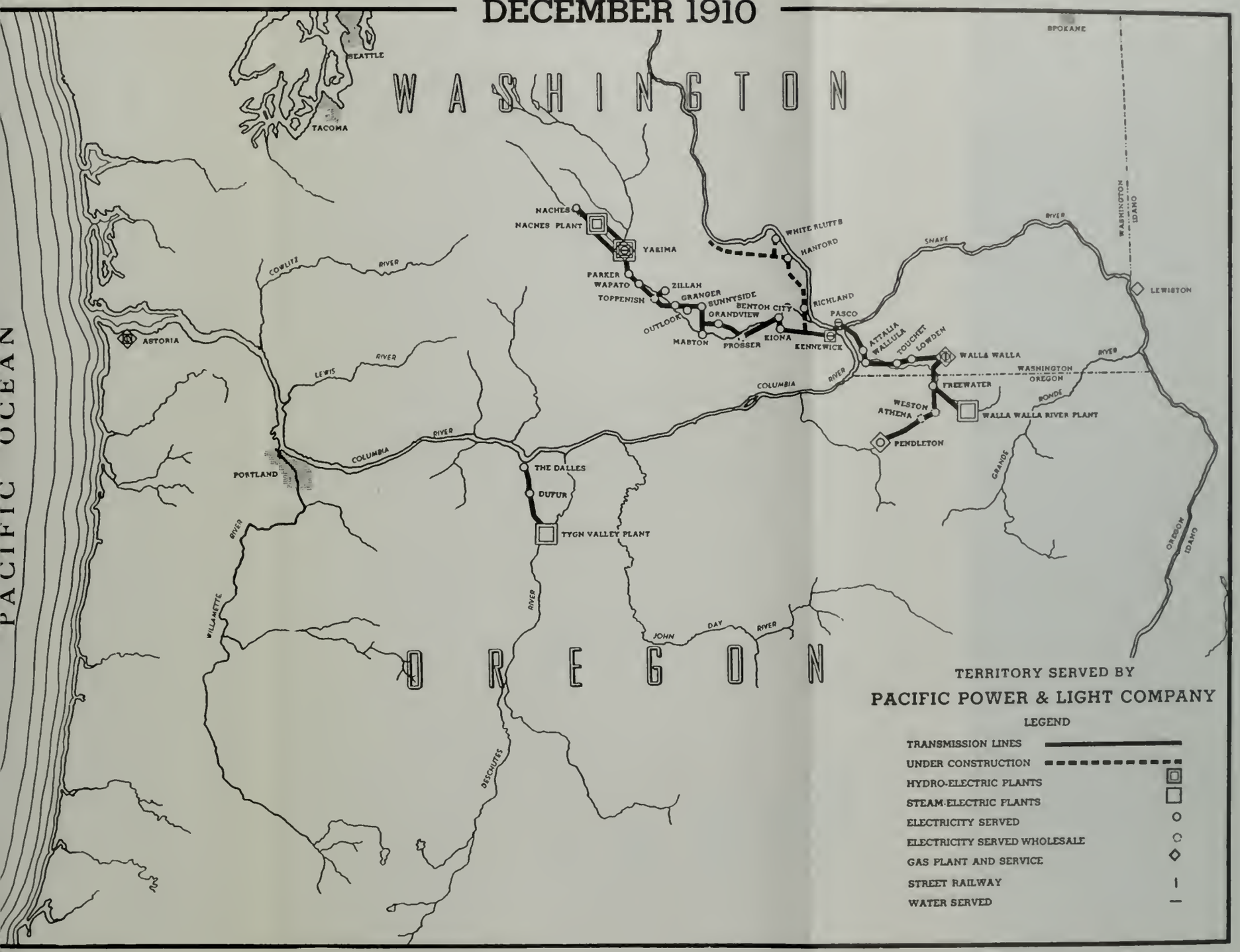
Community	Population	Community	Population
Astoria, Oregon	9,599	Pasco, Washington	2,083
Benton City, Washington	100*	Pendleton, Oregon	4,460
Blalock, Washington	75*	Prospect Heights, Washington	75*
College Place, Washington	200*	Sunnyside, Washington	1,379
Dufur, Oregon	523	The Dalles, Oregon	4,880
Freewater, Oregon	532	Walla Walla, Washington	19,364
Kennewick, Washington	1,219	Wapato, Washington	400
Mabton, Washington	666	Yakima, Washington	14,082
Naches, Washington	300*		

Systems Acquired 1910 - 1930

The Pacific Company continued its policy of acquiring isolated electric systems that were advantageous to its program of integration. These systems were all located in the vicinity of the property already aquired or along its interconnecting lines. These systems were:

Name of Company	Date Acquired	Communities Served	Population of Communities Served
Husum Power Company	February 28, 1911	White Salmon, Washington	682
		Husum, Washington	75*
The Prosser Power Company	April 12, 1911	Prosser, Washington	1,298
The Klickitat Light & Power Company	April 25, 1911	Goldendale, Washington	1,203
Hood River Light & Power Company	April 27, 1911	Hood River, Oregon	2,331
		Odell, Oregon	75*
Tucannon Power Company	April 19, 1911	Pomeroy, Washington	1,605
		Marengo, Washington	100*
		Zumwalt, Washington	75*
Dayton Electric Company	April 29, 1911	Dayton, Washington	2,389
Waitsburg Electric Light Company	April 29, 1911	Waitsburg, Washington	1,237
Reservation Electric Company	October 23, 1911	Toppenish, Washington	1,598
Corbett Bros.	July 1, 1912	Huntsville, Washington	200*
Hydro Electric Company	October 18, 1915	(Duplicate system in Hood River)	
Seaside Light & Power Company	April 24, 1916	Seaside, Oregon	1,500
Gearhart Park Company	June 28, 1916	Gearhart, Oregon	125
Attalia Dairy Products Company	April 2, 1917	Attalia, Washington	328*
Burbank Company	February 6, 1918	Burbank, Washington	451*
Hood Light Company	September 18, 1928	(Portion of Hood River Valley, Oregon)	250*
Cannon Beach Electric Company	September 24, 1928	Cannon Beach, Oregon	135*

* Population estimated.


DECEMBER 1910
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
NACHES
NACHES PLANT
YAKIMA
WHITE BLUFFS
HANFORD
PARKER
WAPATO
TOPPENISH
ZILLAH
GRANGER
SUNNYSIDE
GRANDVIEW
BENTON CITY
OUTLOOK
MABTON
PROSSER
KIONA
KENNEWICK
RICHLAND
PASCO
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
FREEWATER
WESTON
ATHENA
PENDLETON
WALLA WALLA RIVER PLANT
LEWISTON
ASTORIA
PORTLAND
THE DALLES
DUFUR
TYGH VALLEY PLANT
COWLITZ RIVER
LEWIS RIVER
COLUMBIA RIVER
WILLAMETTE RIVER
DESCHUTES RIVER
JOHN DAY RIVER
SNAKE RIVER
WASHINGTON
IDAHO
OREGON
IDAHO
GRANDE RONDE
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
GAS PLANT AND SERVICE
STREET RAILWAY
WATER SERVED

The history of the formation, development and acquisition of each of the electric systems tabulated above is described in succeeding paragraphs.

Acquisition of Husum Power Company

Husum Power Company was organized to supply electric service to the townsite of White Salmon, which was first laid out in 1902 and incorporated in 1909. The principal industries of this territory were fruit raising and diversified farming with some lumbering and dairying. This company was a co-partnership, with J. T. Thompson owning a one-third interest and Martin Thompson owning a two-thirds interest, and was never incorporated. A franchise was granted by the town council of White Salmon, Washington, on November 24, 1908, for a period of thirty years from that date. The franchise provided that the minimum charge for lights where a meter is used should be $1.50 per month and that the rate should not exceed $0.15 per kilowatt hour. It also provided a maximum flat rate of $1.00 per month for one 16 candlepower light, for service up to 11 p.m. and $0.50 per month for each additional light for the same night period.

A small hydro power plant was constructed on the White Salmon River at Husum, Washington. This plant consisted of a General Electric Company 75 kw, 2300 volt, three phase generator and a Samson 26-inch horizontal turbine. Power was stepped up to 6600 volts and transmitted about five miles to White Salmon. The system was first operated on July 1, 1909, with a total of sixteen customers.

On February 28, 1911, the property was acquired by Pacific Power & Light Company, the purchase being recorded on the Pacific Company books in an amount of $47,681.45. At this time there were twelve miles of pole line, 30 transformers with a total capacity of 130 kw, and approximately 190 customers.

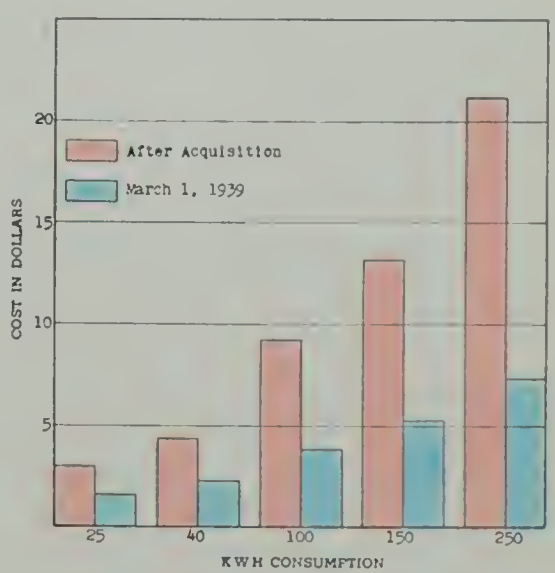


CHART 25—Cost of Residence Service - White Salmon, Washington

Benefits to Customers from Acquisition of the White Salmon System

When the electric property was acquired from Husum Power Company, nearly all the services were on a flat rate and for that reason it is not possible to compare the cost to the customer of service under the predecessor company and under the present rates. However, the accompanying diagram shows the comparison of the costs for 25, 40, 100, 150 and 250 kilowatt hours under the rates following acquisition and the rates effective March 1, 1939.

It is not possible to segregate residence service from commercial service prior to 1922 since both types of service were handled under one rate schedule. The average price per kilowatt hour for residence service is shown on Chart 26. This had decreased from approximately eight cents in 1922 to slightly over three cents in 1937. The White Salmon district was combined with the Goldendale district so that the 1938 figures are not available separately for these two districts.

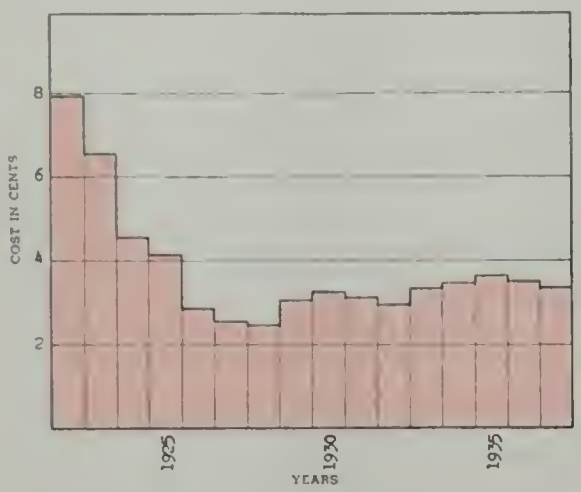


CHART 26—Average Cost Per Kilowatt Hour - Residence Service - White Salmon District, Washington

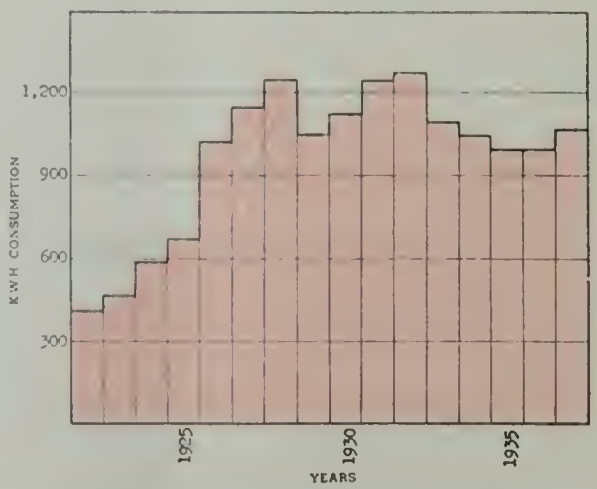


CHART 27—Average Kilowatt Hour Use - Residence Service - White Salmon District - Washington

Over the same period of time the average annual kilowatt hour use per customer for residence service in the White Salmon area had increased from approximately 400 in 1922 to nearly 1100 in 1937. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930. The Pacific Company has made available twenty-four hour service at lower rates and the character of the service has been greatly improved.

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

The White Salmon district was operated as a separate system from the date of acquisition until 1918 when it was connected to The Dalles-Hood River system. By reason of this connection the Pacific Power & Light Company insured a sufficient amount of power to take care of any loads which might be developed in the area. The completion of the Powerdale plant at Hood River in 1922 made available additional electric energy for use in this district and enabled the company to further its development program.

Acquisition of The Prosser Power Company and Prosser Water Company

Prosser, the county seat of Benton County, Washington, is situated about fifty miles south-

east of Yakima and is the center of an area of diversified farming. The establishment of irrigation in this section has been the factor upon which its prosperity has largely depended.

Prosser Falls Irrigation Company was incorporated June 9, 1893, by William B. Dudley, George B. Hayes and James G. Van Marter, Jr., under the laws of the State of Washington, to irrigate and reclaim arid lands and to sell and exchange water rights. The capital stock was $100,000. William B. Dudley transferred his water right to the company on September 22, 1893. This water right was filed May 8, 1893, and covered the appropriation of 4,000 second feet of water from the Yakima River for irrigating lands and supplying the city and inhabitants of Prosser "with water for domestic and other uses."

Fred R. Reed had filed a water right for 5,000 second feet of water from the same river on July 18, 1893, for irrigation and supplying water in Prosser for domestic and other uses. This was also transferred to Prosser Falls Irrigation Company on September 22, 1893.

On July 13, 1893, Prosser Falls Irrigation Company executed a contract with Prosser Falls Land Company to construct an irrigation system costing not less than $75,000 to irrigate lands owned by the latter company. In order to fulfill its obligations under this contract, $100,000 of bonds were issued, on which the irrigation company was not able to pay interest. A suit was brought and the company went into receivership in February, 1897.

On March 22, 1899, the water rights and irrigation and water plant of Prosser Falls Irrigation Company were sold by the receiver, Ira P. Englehart, to Levi Ankeny for the sum of $8,000.

Prosser Falls Irrigation Company had an agreement with George S. Taylor for the use of the latter's water right, which had been filed April 24, 1889. This water right was for 300 second feet, also on the Yakima River, and was used by Mr. Taylor in connection with a flour mill which he operated. On March 18, 1899, he conveyed a portion of his water right to Levi Ankeny.

Prosser Falls Land & Irrigation Company was incorporated on April 4, 1899, under the laws of the State of Washington, by Levi Ankeny, E. F. Benson and Edward Whitson. The capital stock was $10,000. The water properties were conveyed by Levi Ankeny to the new company on June 13, 1899.

On December 5, 1904, Prosser Falls Land & Power Company was incorporated under the laws of the State of Washington, by E. F. Benson, F. H. Gloyd and John Chisholm. The capital stock authorized was $200,000. On August 15, 1905, all the property and rights of Prosser Falls Land & Irrigation Company were transferred to the new company. The deed states that this includes an irrigation system, water system and electric light and power plant. No information is available as to whether any electric generators had been installed. In 1904, E. F. Benson had applied for a lighting franchise, but due to opposition of the mayor, E. W. R. Taylor, who was interested in another electric company, Prosser Electric Company, a franchise was not granted until October 3, 1905. This franchise specified electric rates as follows:

	Paid After 10th of Month	Paid by 10th of Month
1 to 25 kwh	$0.19 per kwh	$0.15 per kwh
26 to 40 kwh	0.18 per kwh	0.14 per kwh
41 to 60 kwh	0.17 per kwh	0.13 per kwh
61 to 150 kwh	0.16 per kwh	0.12 per kwh
151 to 250 kwh	0.15 per kwh	0.11 per kwh
251 to 500 kwh	0.14 per kwh	0.10 per kwh
501 to 1000 kwh	0.13 per kwh	0.09 per kwh
over 1000 kwh	0.12 per kwh	0.08 per kwh

Prosser Electric Company mentioned above had been incorporated July 19, 1901, by Alfred W. Z. Thompson and William N. Thompson under the laws of the State of Washington, with a capital stock of $3,000. This company seems to have been only a name as it held no property. It may have been an operating company but there is no record of any of its transactions.

On February 8, 1902, Alfred W. Z. Thompson had filed on 5000 second feet of water on the Yakima River for manufacturing purposes. Previously, on January 26, 1901, an agreement had been entered into between E. W. R. Taylor and E. Kemp, partners in a flour mill, and Alfred W. Z. Thompson whereby Mr. Taylor was granted the right to use the flour mill power for operating generators to be furnished by him in return for a quarter interest in an electric company which he was to organize. This company was evidently Prosser Electric Company. In the agreement it is stated that the council of the Town of Prosser had granted a franchise to Mr. Thompson, so it is apparent that a franchise had been granted prior to January 26, 1901. On April 13, 1907, Mr. Thompson transferred his interests to Prosser Electric Company and two days later, the property was transferred by it to Prosser Falls Land & Power Company. It is stated that this property was sold for six thousand dollars and that the flour mill owners were given in exchange for their interest the old water wheel and a twenty-year contract to furnish them with lights.

On January 2, 1909, Prosser Falls Land & Power Company transferred its property to The Prosser Power Company. This company was incorporated by E. F. Benson, John Chisholm and Harry C. Benson under the laws of the State of Washington, with an authorized capital stock of $150,000. Of this amount, $120,000 was issued to take over the properties of the old company.

Prosser Water Company was incorporated on October 1, 1910, under the laws of the State of Washington, by E. F. Benson, George D. Longmuir and John Chisholm. The authorized capital stock was $30,000. The water property was transferred to this company by The Prosser Power Company on February 7, 1911, all the securities of the water company being taken as payment therefor.

At the time the properties were acquired by The Prosser Power Company the electric plant included a General Electric Company 200 kw, 2200 volt, three phase generator run by a vertical

type Sampson 56-inch water wheel. There was a 200 horsepower horizontal steam engine for standby use. With the building of the transmission line by the Yakima Valley Power Company, discussed previously in this statement, negotiations were completed for use of power from the latter company's transmission line.

The property of The Prosser Power Company was acquired by Pacific Power & Light Company by a deed dated April 12, 1911, and the property of Prosser Water Company was likewise acquired by a deed dated April 29, 1911. The cost of these properties to Pacific Power & Light Company was $130,830.41.

At the time this system was purchased by the Pacific Company, the general scope of the property was described as follows:

Generating capacity (kw)	200
Power purchased contract (kw)	600
Miles of pole line	6
Number of customers	309
Gross earnings—Year 1911	$16,519
Water utility	1

Benefits to Customers from Acquisition of the Prosser Properties

The integration of this system with the Pacific Power & Light Company system and the additional sources of more economical power made available through the connection of the electric system to the Yakima-Walla Walla system made possible a more dependable service at a considerable reduction in the average cost per kilowatt hour to the consumer. This resulted in a decrease in the average kilowatt hour cost for residence service in the Sunnyside-Prosser district from over nine cents in 1922 to three cents in 1938. The districts formerly known as Sunnyside and Prosser were combined in 1931 and it is therefore necessary to show the data for the combined district.

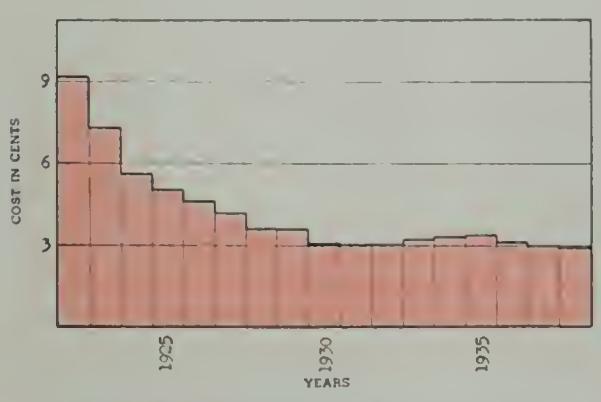


CHART 28—Average Cost Per Kilowatt Hour - Residence Service - Sunnyside - Prosser District, Washington

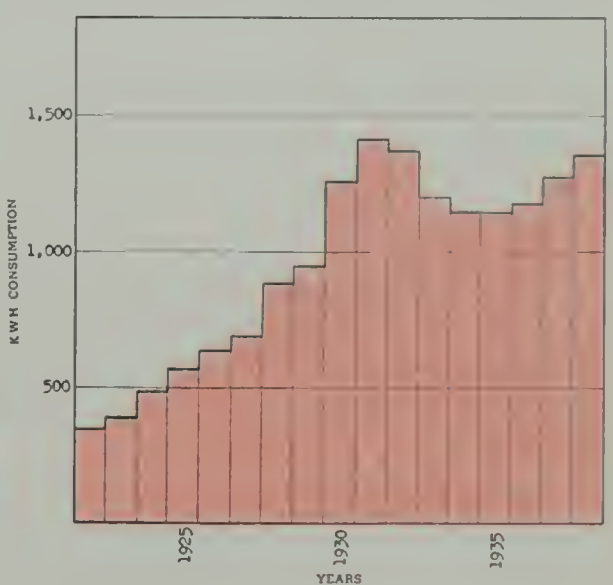


CHART 29—Average Kilowatt Hour Use - Residence Service - Sunnyside - Prosser District, Washington

Over the period 1922 to 1936 the average annual kilowatt hour use per customer for residence service has increased from approximately 400 to more than 1300. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

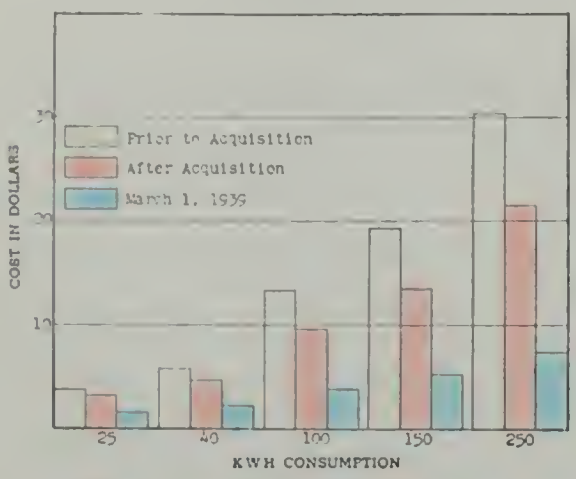


CHART 30—Cost of Residence Service - Prosser, Washington

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

The cost of 25, 40, 100, 150 and 250 kilowatt hours for residence service under the rates of the predecessor company, under the rates made effective following acquisition and under the rates in effect March 1, 1939, is indicated on the chart entitled "Cost of Residence Service, Prosser, Washington."

The water system in Prosser acquired from Prosser Water Company was sold in 1926 to the City of Prosser.

Acquisition of The Klickitat Light & Power Company

The Klickitat Light & Power Company supplied electric service to the town of Goldendale, Washington, located in the Klickitat Valley. The valley was first settled about 1859. A squad of Government troops from The Dalles made a permanent location at the place known as Blockhouse, the name taken from the barricade built by them to protect the few white settlers from the Indians. Goldendale is the county seat of Klickitat county and is the center of an extensive wheat growing area.

The first electric light plant to serve Goldendale was constructed by H. W. Fellows in the year 1905. The plant was constructed at the confluence of Blockhouse Creek and Little Klickitat River about nine miles west of Goldendale. The installation consisted of a 250 horsepower Victor turbine, operating under a 290 foot head, and a Stanley 150 kw, 6600 volt, three phase generator.

H. W. Fellows and two partners, Frank Lehr and J. H. Tilsley, operated the system under the name of The Klickitat Valley Light and Power Company, which was never incorporated. It took three attempts to get the generator into its resting place in the bottom of the 600 foot canyon, the generator falling twice and necessitating the return of the machine to San Francisco

for repairs. Only night service was furnished and the town was dark on an average of about five nights a month due to failure of either the generator or the line.

The meter rate for service was as follows:

First	50 kwh per month	$0.15 per kwh
Next	50 kwh per month	0.14 per kwh
Next	50 kwh per month	0.13 per kwh
Next	50 kwh per month	0.12 per kwh
Next	50 kwh per month	0.11 per kwh
Next	50 kwh per month	0.10 per kwh
Above	300 kwh per month	special rate

The minimum monthly charge was $1.00.

Practically all of the flat rate customers were charged $1.00 per month regardless of installation. The flat rate was given a customer when, in the opinion of the company, such customer would not use more than a dollar's worth of energy at meter rates.

The Klickitat Light & Power Company was incorporated on July 8, 1907, under the laws of the State of Washington, with capital stock of $45,000. The incorporators were the three men mentioned above, who were partners, and they transferred their property to the new company on July 9, 1907.

During the time that the property was operated by this company no daylight service was given except in a part of the summers of 1909 and 1910, when service was supplied from 8:00 a.m. until noon, primarily to take care of a 15 horsepower motor at the ice plant.

On April 25, 1911, the property of The Klickitat Light & Power Company was acquired by Pacific Power & Light Company. The cost of this acquisition is shown on the Pacific Company's books as $45,583.90.

At this time the going concern acquired had an electric system briefly described as follows:

Generating capacity (kw)	150
Miles of pole line	18
Number of Customers	197
Gross earnings—Year 1911	$9,720

The integration of this property into the Pacific Company system brought real relief to the customers through infinitely better service and lower rates.

Benefits to Customers from Acquisition of Goldendale Property

The Goldendale district was operated as a separate system from 1911, the year of acquisition, until 1926 when The Dalles-Goldendale line was constructed to connect it to The Dalles-Hood River system. Pacific Power & Light Company had so strengthened the generating and transmission facilities as to greatly improve service and to practically eliminate interruptions which had averaged several nights a month under the predecessor company. Immediately subsequent to acquisition, Pacific Company had inaugurated continuous service, whereas the previous owners had not attempted anything beyond limited daylight service.

By the integration of the Goldendale district as a portion of The Dalles-Hood River

system, it has been possible for the company to reduce the average rate for electrical energy. As shown on Chart 31 the average cost per kilowatt hour to the customer for residence service had decreased from approximately seventeen cents in 1922 to a little more than three cents in 1937. As before mentioned, the Goldendale district was combined with the White Salmon district in 1938 so that separate statistics for 1938 are not available.

The average annual kilowatt hour use per customer for residence and commercial service had increased from less than 200 in 1922 to approximately 1100 in 1937. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

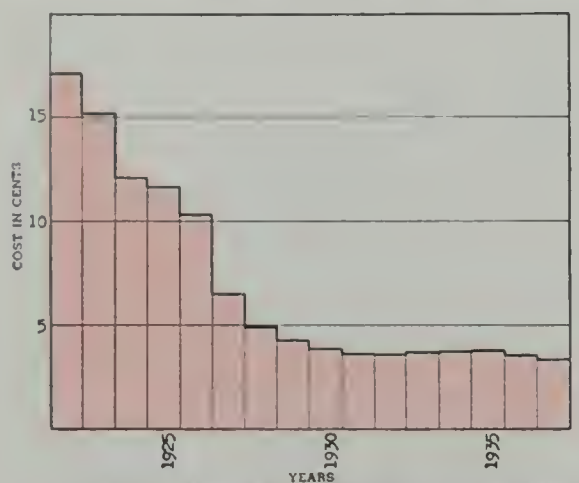


CHART 31—Average Cost Per Kilowatt Hour - Residence Service - Goldendale District, Washington

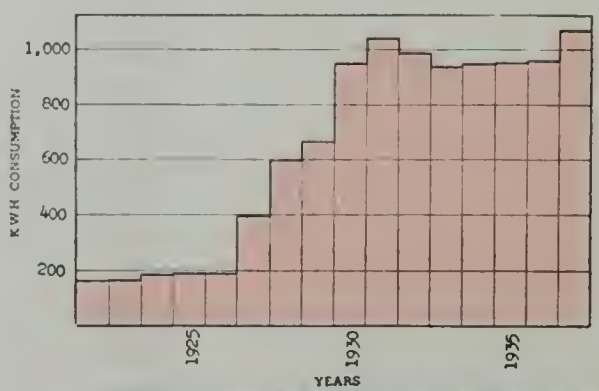


CHART 32—Average Kilowatt Hour Use - Residence Service - Goldendale District, Washington

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

The cost of 25, 40, 100, 150 and 250 kilowatt hours for residence service under the rates of The Klickitat Light & Power Company, the Pacific Company's rates following acquisition and the rates as of March 1, 1939, is shown on Chart 33. For 250 kilowatt hours under the predecessor company rates the cost was $32.50 as compared with $7.34 under the present rates.

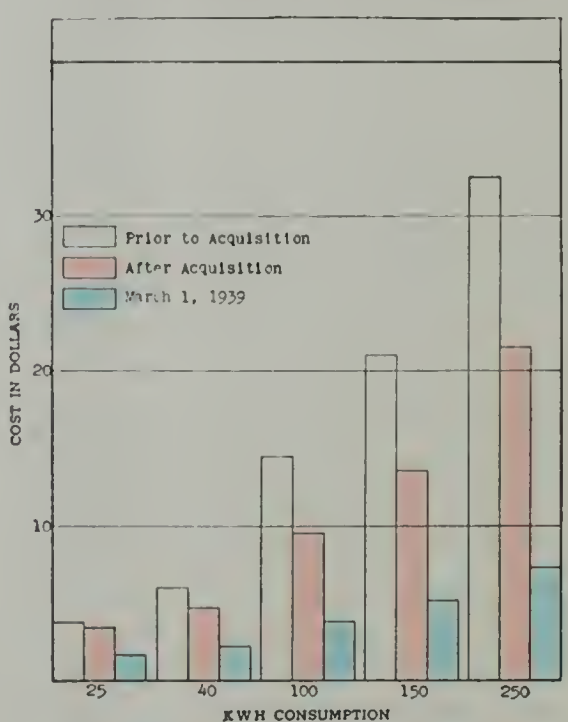


CHART 33—Cost of Residence Service - Goldendale, Washington

Acquisition of Hood River Light & Power Company

Hood River Electric Light, Power and Water Company was incorporated November 14, 1900, under the laws of the State of Oregon with a capital stock of $5,000. The purpose was to serve Hood River, the county seat of Hood River County, Oregon, the city being located at the mouth of Hood River on the Columbia River about 66 miles east of Portland, Oregon. Hood River is the shipping and business center of a large fruit growing section which is well known all over the world for its apples.

The original incorporators of this company were N. C. Evans, Leslie Butler, C. A. Bell and E. E. Savage. The capitalization was increased to $25,000 on April 16, 1901, and to $50,000 on May 5, 1902. Stock certificates to the amount of $43,000 were issued. N. C. Evans brought suit against H. F. Davidson and associates who had acquired stock in the company. This controversy between N. C. Evans and H. F. Davidson afterward developed into a ruthless competitive fight between the Hydro Electric Company and Hood River Light & Power Company.

The Town of Hood River, on January 7, 1901, granted to the Hood River Electric Light, Power and Water Company a franchise for an electric system in that town. The generating plant first built by the company was located on Hood River on the N. C. Evans property. It consisted of a 100 horsepower water turbine direct connected to a General Electric Company 50 kw, 2300 volt, three phase generator.

Service was available to the first customers in the summer of 1901, under flat rates based on the number of lights in the house and the size of the family using the lights. The average rate was from $2.25 to $3.00 per month for four or five lights. Service was from sundown to sunrise.

Hood River Power and Water Company was incorporated on September 28, 1904, under the laws of the State of Oregon, with a capital stock of $50,000. The incorporators were Leslie Butler, H. F. Davidson and John Leland Henderson, and the purpose of the new company was to take over the physical property and franchises of the Hood River Electric Light, Power and Water Company. The N. C. Evans interests would not sell their capital stock so two companies existed. Hood River Power and Water Company constructed a power plant on Hood River in 1905, at the old Powerdale site.

The equipment at this generating station consisted of a Bullock 250 kw, 2300 volt, three phase generator direct connected to a 650 horsepower S. Morgan Smith turbine. As soon as this plant was completed in November, 1905, twenty-four hour service was commenced.

On December 10, 1904, Hood River Power and Water Company transferred the property which it then held to Hood River Electric Light, Power and Water Company and on May 3, 1910, the latter company transferred all its property to Hood River Light & Power Company.

On February 25, 1911, Hood River Power and Water Company transferred all its property to Hood River Light & Power Company.

Hood River Light & Power Company was incorporated on January 15, 1910, by John D. Wilcox, R. Smith and Wirt Minor, under the laws of the State of Oregon, with an authorized capital stock of $2,000,000. Its place of business was stated to be Portland, Oregon. On June 29, 1911, the capital stock was reduced to $1,000,000.

Shortly after the sale of these properties, N. C. Evans organized another company. This was the Hydro Electric Company which is described under that heading later in this statement.

On April 27, 1911, the property of Hood River Light & Power Company was acquired by Pacific Power & Light Company at a cost of $286,894.49. Later in the same year, the water system which was included in this acquisition was purchased by the town of Hood River.

The size and extent of the electric system acquired by the Pacific Company is indicated by the following statistics:

Generating capacity (kw)	300
Miles of pole line	45
Number of customers	845
Gross earnings—year 1909	$24,774

Benefits from Acquisition of Hood River Light & Power Company

In Hood River County the contribution made to the welfare of the community in the form of real and personal property taxes is indicated on Chart 34. The annual taxes have increased from approximately $4,000 in 1916 to almost $40,000 in 1938.

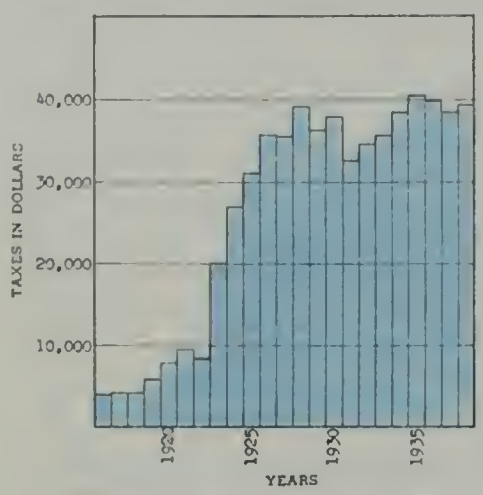


CHART 34—Real and Personal Property Taxes Paid on Electric Property — Hood River County, Oregon

The principal addition to the company's property in Hood River County has been the Powerdale hydro generating station which was constructed in 1922. The generating equipment consists of a single vertical 6,000 kw generator and the water wheel equipment includes a single runner vertical shaft reaction turbine of 8,700 horsepower operating under 180 foot head.

Prior to the completion of this generating plant it had been necessary for the Pacific Company to construct a transmission line to the Condit generating station of Northwestern Electric Company and to purchase power from that company to supply the requirements of The Dalles-Hood River system. After Powerdale was put into operation, it was possible to retire from service the older inefficient

Powerdale Generating Station - constructed in 1922 by Pacific Power & Light Company.

small plants and to supply from the company's newer facilities all the power that might be required for some time in the future.

The completion of the transmission line between the Yakima-Walla Walla system at Union Gap to Condit in The Dalles-Hood River system integrated all this extensive system, covering the south central and southeastern parts of Washington and the north central and

northeastern parts of Oregon. The new integrated facilities enabled the load factor on the Powerdale plant to be increased and surplus energy supplied to the Main Power System and also, through the system of Northwestern Electric Company, to load centers in the Portland area. The more efficient equipment, better control of power and centralized operation enabled the company to make substantial reductions in rates. The average price per kilowatt hour paid by the customer for residence service has decreased from approximately seven cents in 1922 to approximately two and one-half cents in 1938. The average annual kilowatt hour use per customer for this service increased from about 500 to more than 1700 in this same period of seventeen years. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in average cost per kilowatt hour and increase in average consumption than otherwise would be shown.

The cost to the customer for residence service for 25, 40, 100, 150 and 250 kilowatt hours under the rates of the predecessor company, the first published rates of the Pacific Company just after acquisition and the rates

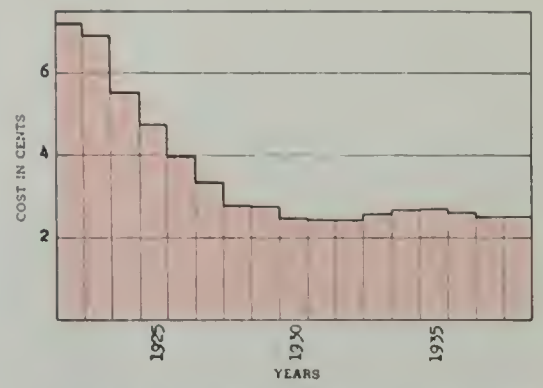


CHART 35—Average Cost Per Kilowatt Hour - Residence Service - Hood River District, Oregon

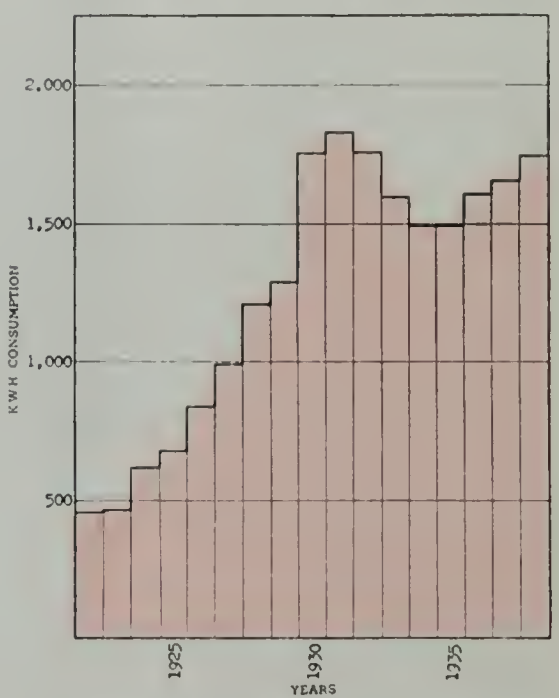


CHART 36—Average Kilowatt Hour Use - Residence Service - Hood River District, Oregon

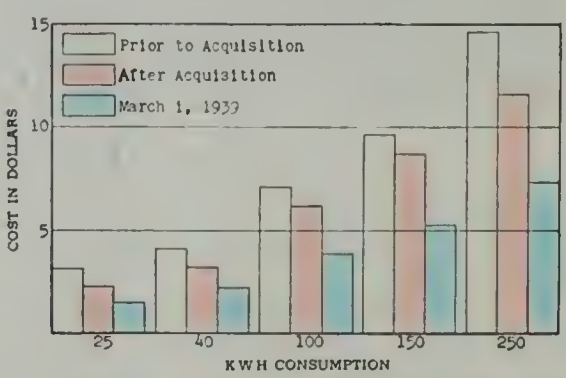


CHART 37—Cost of Residence Service - Hood River, Oregon

effective March 1, 1939, are indicated on the accompanying diagram. As in the case of other properties integrated with the Pacific Company system, the customers have reaped large benefits through rate reductions and improved service.

Acquisition of Tucannon Power Company Serving the City of Pomeroy

The city of Pomeroy, Washington, is situated at the extreme eastern edge of the territory now served by Pacific Power & Light Company. It is the center of a large wheat growing area.

The first attempt to furnish electrical service to Pomeroy was made by a farmer named Dick Owsley in the year 1902. Although he had little money, he dug a ditch for about two miles along the hillside on the bank of the Tucannon River, and contracted for machinery and the penstock. Before this machinery was installed, however, Mr. Owsley found that his finances were running low and it was necessary for him to get financial aid. When the water was turned into the ditch, it did not reach the penstock on account of the porous nature of the soil. Mr. Owsley never succeeded in completing the project and never furnished any electricity in Pomeroy.

Tucannon Power Company was incorporated on March 9, 1903, under the laws of the State of Washington, with a capital stock of $20,000. The incorporators were T. W. Owsley, H. M. Bruce and William Branton. The City of Pomeroy on March 10, 1903, granted a franchise to this company for an indefinite period. Meter rates as follows were fixed by this franchise:

First 25 kwh per month	$0.17 per kwh
Next 15 kwh per month	0.16 per kwh
Next 20 kwh per month	0.15 per kwh
Next 90 kwh per month	0.14 per kwh
Next 100 kwh per month	0.13 per kwh
Next 750 kwh per month	0.12 per kwh

For residence lighting, flat rates for all night service were to be $1.00 per month for the first 16 candlepower light and $0.50 per month for each additional light.

The plant which was built on the Tucannon River consisted of a McCormick horizontal, single runner, 200 horsepower water wheel, direct connected to a General Electric Company 150 kw, 6600 volt, three phase generator. Service was made available about a year after the granting of the franchise but it was found that the generator could not be operated in the winter time on account of ice in the canal. For this reason it became necessary in 1906, to install a 125 horsepower Corliss steam engine with a General Electric Company 100 kw, 2300 volt generator, located within the city limits of Pomeroy.

The property of Tucannon Power Company was acquired by Pacific Power & Light Company by a deed dated April 19, 1911. The purchase was recorded on the books of the latter company in the amount of $91,364.90.

The extent of this business enterprise acquired by Pacific Power & Light Company is indicated by the following:

Generating capacity (kw)	150
Miles of pole line	10.5
Number of customers	304
Gross earnings—year 1911	$15,103

Acquisition of Dayton Electric Company

The city of Dayton, Washington, was first settled in 1855, but the settlers had to leave on account of the Indian troubles. They came back in 1859 and from that time the settlement has steadily increased in size. The city is now the center of an extensive grain raising area.

The first plans for an electric light plant in Dayton were made by C. A. De Saussure when he bought up water rights on the Touchet River in the spring of 1889, and organized The Dayton Electric Light and Power Company. This company was incorporated March 27, 1889, by Mr. De Saussure, J. H. Day, J. E. Edmiston, A. H. Bishop, C. M. Grupe, Geo. A. Kelly, W. M. Sweany, J. K. Rainwater, I. F. Lockwood, A. J. James, D. C. Guernsey, G. A. Parker, Geo. B. Baker and J. A. Kellogg, under the laws of the State of Washington with a capital stock of $12,000, all of which was subscribed. Mr. De Saussure deeded his water rights to the company on June 1, 1889, for the sum of $3,000. A small water power plant was constructed but no information is available concerning the size of the plant or the rates charged for service.

On March 1, 1902, all the property of the company was deeded to A. Roth who operated the plant for the next two years. The amount paid for the property is not known. A. Roth sold the property on January 2, 1904, to Nicholas Codd and James A. Ralph for the sum of $40,300.

Dayton Electric Company was incorporated on May 25, 1905, under the laws of the State of Washington with an authorized capital stock of $75,000. The incorporators were Nicholas Codd, Katie Codd, James A. Ralph and Alice G. Ralph, who transferred the electric properties to the new company for the same amount which they paid for them. This company bought the property known as the Cross Mill for $6,500 and installed an ice plant.

The power situation in Dayton in 1910, has been described as follows:

> "Dayton has been supplied with electric power by a small water plant situated in the city, five blocks from Main, the principal business street; during the part of the year when the flow of the Touchet River was at a reasonable stage, the plant afforded about 250 horsepower; it then became necessary to generate with steam, any power used in excess of that furnished by the water, and fuel being so high priced, it was not considered good policy to solicit any power load that could not be handled off-peak thereby reducing the hours of steaming as low as possible. All proposals for power of any consequence, such as the establishing of extensive manufacturing, had to be declined or such a price named as to exclude the possibility of its being accepted."

The property of Dayton Electric Company was acquired by Pacific Power & Light Company by a deed dated April 29, 1911, at a cost of $104,656.54. The facilities and business that came over to the company with this acquisition were briefly as follows:

Generating capacity (kw)	150
Miles of pole line	14
Number of customers	400
Gross earnings—year 1911	$20,472

Acquisition of Waitsburg Electric Light Company

The city of Waitsburg is located in the northeast corner of Walla Walla County, Washington, and like Pomeroy and Dayton is principally dependent on the growing and shipping of wheat. The first flour mill in the valley of the Touchet River was located at Waitsburg, and flour milling operations are still carried on there.

The first electric light plant was established about 1896 by Arthur T. Roberts, a wheat farmer. Prior to that time the only electricity in Waitsburg was furnished by a small generator in the old Preston Flour Mills, used only for lighting the mill and the Preston home.

On September 28, 1896, Mr. Roberts secured a water right from James H. Fudge and Marilla E. Smith who with another brother had inherited the mill property of their father. An electric franchise dated April 20, 1896, was granted by the Town of Waitsburg.

The original installation consisted of a compound, bi-polar generator of 50 kw capacity connected to a small water wheel. The water right was limited owing to the fact that water had to be taken from the Touchet River below the tail race of the Huntsville Flour Mill and returned to the river above the headgates of the Preston mill.

On January 31, 1902, Mr. Roberts sold a half interest in his electric system to Emmett R. Henderson. Shortly after this 800 feet of 66 inch wood stave pipe was installed to increase the capacity of the plant. In 1903, this was lengthened by a section of about 2000 feet of pipe of the same size. It was stated at the time that the owners expected to make day service available in the near future.

Waitsburg Electric Light Company was incorporated on April 3, 1907, under the laws of the State of Washington, with a capitalization of $35,000. Arthur T. Roberts and Emmett R. Henderson were the incorporators and on May 17, 1907, transferred their property to the company. In this same year a second penstock and water wheel were installed and also a 50 horsepower gasoline engine to carry the load in times of low water.

In April, 1909, the Waitsburg Electric Light Company purchased a 150 horsepower Corliss engine and boiler to be installed and used as an auxiliary in time of low water. The gasoline engine had proved to be not large enough and also did not prove satisfactory. It was said at the time that the plant was capable of developing from 350 to 400 horsepower.

On April 29, 1911, the property of Waitsburg Electric Light Company was acquired by Pacific Power & Light Company at a cost of $45,344.70. With this system the company obtained a generating station of 150 kw capacity and a transmission line connecting this plant with the distribution system which at that time covered approximately seventy per cent of the city of Waitsburg and a considerable portion of the suburban territory

Benefits to Customers from the Acquisition of the Pomeroy, Dayton and Waitsburg Electrical Properties

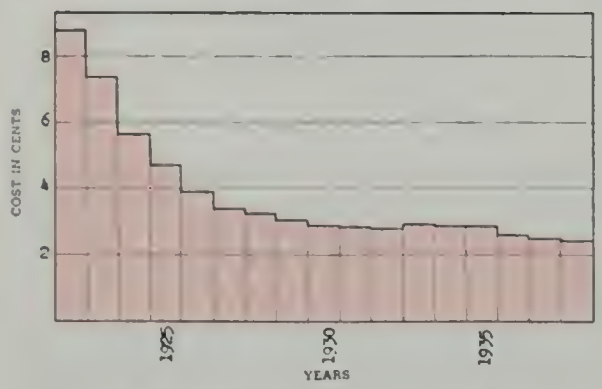


CHART 38—Average Cost Per Kilowatt Hour - Residence Service - Doyton - Waitsburg - Pomeroy District, Washington

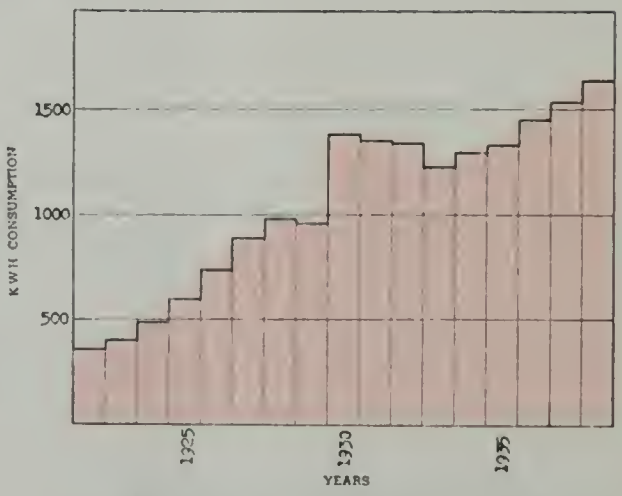


CHART 39—Average Kilowatt Hour Use - Residence Service - Doyton - Waitsburg - Pomeroy District, Washiagton

The three electric properties acquired from Tucannon Power Company, Dayton Electric Company and Waitsburg Electric Light Company were connected to the Yakima-Walla Walla system by means of a transmission line constructed from Walla Walla through Waitsburg and Dayton to Pomeroy. The small obsolete and inefficient generating plants in these communities were retired and service to the entire system was improved, with subsequent steady decrease in the cost of service to the customer. Chart 38 shows that the average price per kilowatt hour paid by the customer has decreased from approximately nine cents in 1922 to less than three cents in 1938. By economies resulting from the operation of an integrated system with modern equipment and by an intensive and aggressive development and load building program, Pacific Power & Light Company was enabled not only to decrease the average rates for electrical energy but also to provide an improved service. The average annual use per customer for residence service has increased from about 400 kilowatt hours to approximately 1600 in the period from 1922 to 1938, inclusive. A service reclassification made effective in 1930 reduced the customer count from the number of meters, or rate schedule items billed, to the actual number of individual customers receiving service. This reclassification accounts for the abnormal change in the diagram for 1930.

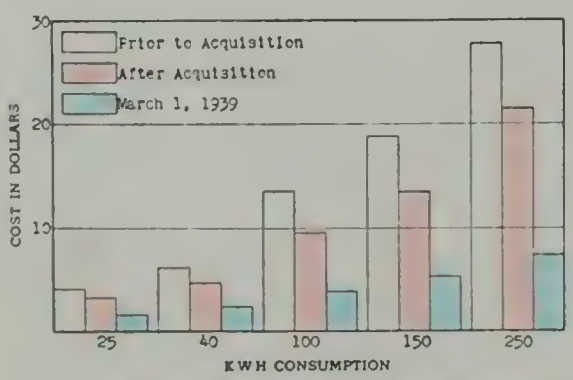


CHART 40—Cost of Residence Service - Pomeroy, Washington

These charts are affected, especially during the later years, by the extension of service to a large number of new customers who initially used relatively small quantities of energy. The addition of these low-use customers causes the charts to indicate lower rates of decrease in aver-

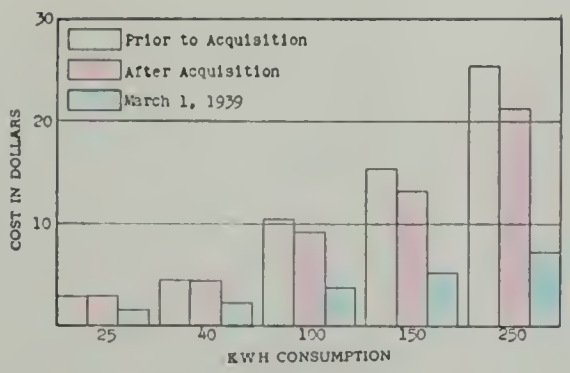


CHART 41—Cost of Residence Service - Dayton, Washington

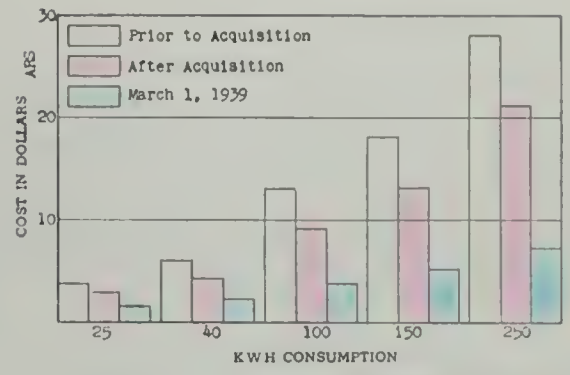


CHART 42—Cost of Residence Service - Waitsburg, Washington

age cost per kilowatt hour and increase in average consumption than otherwise would be shown. A comparison of the rates for residence service under the rates of Tucannon Power Company at the date of acquisition, under the first published rates of Pacific Power & Light Company in 1911, and under the rates effective March 1, 1939, is indicated in the diagram on Chart 40. The cost to the customer for 250 kilowatt hours has decreased from $27.83 under the Tucannon Power Company to $7.34 under 1939 rates. Similarly the cost of 250 kilowatt hours under the rates of Dayton Electric Company was $25.45 whereas the cost under the Pacific Company 1939 rates would be $7.34. A similar diagram shows the cost of residence service for the city of Waitsburg to have been $28.06 for 250 kilowatt hours under the rates of Waitsburg Electric Light Company.

By making the Dayton-Waitsburg-Pomeroy district an integral part of the present Main Power system, the Pacific Company has made available a service much improved over that offered by predecessor companies and by its policy of encouraging industrial development has contributed substantially to the prosperity of this area.

Acquisition of Reservation Electric Company Serving the Town of Toppenish

Toppenish, Washington, is located on the main line of the Northern Pacific Railway between Spokane and Seattle. It is a shipping point for fruit, stock, hay, potatoes, grain and other farm products.

The first electric light and power plant was installed in Toppenish in the summer of 1908 by A. H. Campbell. This was a steam generating station consisting of a 120 horsepower Lycoming steam engine connected to a Westinghouse 60 kw, two phase generator. Service was first supplied to customers about December 1, 1908.

Reservation Electric Company was incorporated July 6, 1908, by A. H. Campbell, Martin Kramer and A. H. Reid, under the laws of the State of Washington, with an authorized capitalization of $15,000. A franchise dated June 15, 1908, had been granted to A. H. Campbell and M. Kramer for the Reservation Electric Company by the Town of Toppenish. Apparently all the plant was acquired and installed by the company since there is no record of transfer from Mr. Campbell to Reservation Electric Company.

The population of Toppenish had increased from 500 to 2,000 over a three year period and the demand for electric service was so great that the capacity of the steam plant was not sufficient. Construction on a new and larger steam plant was commenced in the year 1910. This plant was to have consisted of a 100 kw generator with boilers and engines of sufficient capacity. The generator was delivered to the new plant site but on account of financial difficulties the rest of the plant was never installed. The company then obtained power from the new line which had been built by the Yakima Valley Power Company, previously discussed in this statement.

On October 23, 1911, the property of Reservation Electric Company was acquired by Pacific Power & Light Company at a cost of $39,689.96. The system acquired had 271 customers and 34 miles of pole line. The gross earnings for the year 1911 were $18,589.

Benefits to Customers from Acquisition of Reservation Electric Company

When the Pacific Power & Light Company acquired the Toppenish system, it abandoned the steam plant and tied Toppenish into the Yakima-Walla Walla system. The larger integrated system of generating stations and transmission lines has insured more satisfactory service both as to continuity and availability of power. The average cost to the customer and the average kilowatt hour use for Toppenish are included in the diagrams for Yakima described under the Yakima-Pasco Power Company acquisition.

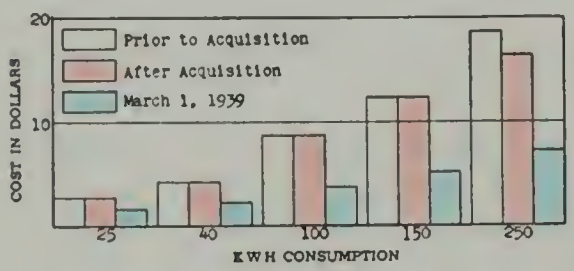


CHART 43—Cost of Residence Service - Toppenish, Washington

The cost to the customer of residence service for 25, 40, 100, 150 and 250 kilowatt hours is shown on Chart 43. This shows the cost under the rates of Reservation Electric Company at the date of acquisition by the Pacific Company, the rates immediately following acquisition and the rates effective March 1, 1939.

Acquisition of Huntsville Distribution System (Corbett Bros. Property)

The community of Huntsville which is located about three miles east of Waitsburg, Washington, contained a flour mill owned by Corbett Bros. which derived power from the Touchet River. An electric generator was operated from the mill wheel and supplied a portion of the village with lighting service. However, the service was only given when the mill was running, and as a result was intermittent and very unsatisfactory.

The acquisition of the distribution system in Huntsville from Corbett Bros. on July 1, 1912, is recorded on the books of Pacific Power & Light Company in the amount of $2,000.

Huntsville was connected to the Waitsburg distribution system and so enjoyed the benefits described thereunder. The assurance of a continuous and dependable source of power was a great advantage to the community and contributed to a much greater use of electric energy.

Acquisition of Vancouver Gas Company

A franchise for a gas system in Vancouver, Washington, was granted to J. A. Webber on

April 2, 1906. He immediately commenced work on the plant and the laying of mains. Very soon, however, he assigned his franchise rights and the construction work to the Independent Light and Water Company, which was in a better position to finance and operate the venture, retaining as his remuneration a block of the stock. In March, 1907, this company commenced making gas and turned it into two and one-half miles of mains and something over 100 services.

In February, 1911, Independent Light and Water Company was absorbed by Washington-Oregon Corporation which operated the plant until June, 1912, when it was bought and operated by Vancouver Gas Company.

Vancouver Gas Company was incorporated on June 6, 1912, under the laws of the State of Washington, with an authorized capital stock of $300,000.

After the acquisition of the gas property by the new company, it was decided to discontinue the use of the local production plant and to pipe gas from Portland. A four inch high pressure main was laid across the Columbia River on the railroad bridge with a six inch section on the bottom of the river under the draw.

On December 29, 1913, this property was acquired by Pacific Power & Light Company and its acquisition was recorded by a charge to plant account in the amount of $139,926.04. This property was sold to Portland Gas & Coke Company in 1925 and the cost of plant purchased and all subsequent additions were removed from the books at that time.

Acquisition of Hydro Electric Company

Hydro Electric Company was evolved from the several transactions described in the following paragraphs.

Tucker Power Company was incorporated April 28, 1902, by B. R. Tucker, W. A. Slingerland, J. J. Crofut, G. W. Long and I. H. Bingham, under the laws of the State of Oregon, with an authorized capital stock of $75,000. The principal office of the company was stated to be Hood River, Oregon. The purposes of the corporation were rather broad being stated in these words, "To purchase, own, possess, lease, rent, sell, operate, construct, equip and maintain water and electric power plants, water works, electric light works, factories, flour, feed, lumber and other mills."

Tucker Power Company acquired some lands and water rights on Hood River but never engaged in either electric or water business. In 1904, the company got into debt and was unable to satisfy its creditors. On February 4, 1909, all the property was sold by the sheriff of Hood River County to B. R. Tucker for the sum of $3,200.

On February 11, 1909, B. R. Tucker sold this property, together with other property which he owned, to Ahio S. Watt for the sum of $7,500. Five days later, on February 16, the property was transferred to Watt Development Company.

Watt Development Company was incorporated on December 3, 1908, by Ahio S. Watt,

J. F. Watt, Grace Watt Ross, Agnes S. Watt, Ella Watt Jackson and Nell P. Naylor, under the laws of the State of Oregon, with a capitalization of $10,000. The stated purpose was to deal in real estate, electric energy, franchises, power plants and water plants. The company acquired some additional water rights from B. R. Tucker by a deed dated May 3, 1909. On June 30, 1911, the property and water rights of Watt Development Company were transferred to Hydro Electric Company. This included an electric franchise from the City of Hood River which was approved December 6, 1910.

Hydro Electric Company was incorporated June 5, 1911, under the laws of the State of Oregon, with an authorized capital stock of $250,000 of which $150,000 was common stock and $100,000 preferred stock. The incorporators were N. C. Evans, J. F. Watt and H. J. Jackson. The common stock was issued in consideration of the conveyance by N. C. Evans of real estate, including a power site, estimated to be worth $75,000 in the judgment of the incorporators, and real estate, franchises and water rights conveyed by J. F. Watt and the Watt Development Company, similarly estimated to be worth $75,000. Preferred stock to the amount of $30,000 was subscribed. This preferred stock was issued for advances made to the company for construction of the plant.

A power plant was built at Tucker Bridge about five miles from the city of Hood River. This consisted of a Westingthouse 300 kw, 6600 volt, three phase generator and a 400 horsepower horizontal turbine. In the construction of the lines there was considerable friction between this company and the Hood River Gas & Electric Company, which at the time was operating the other Hood River electric system, and the controversy was carried into the courts for settlement. In February, 1912, the plant and lines were completed and service in Hood River was commenced in competition with Hood River Gas & Electric Company.

The competition between the two companies resulted in rate cutting to such an extent that neither company could long survive. The Railroad Commission of Oregon increased and standardized the rates so that both companies had the same rates in effect.

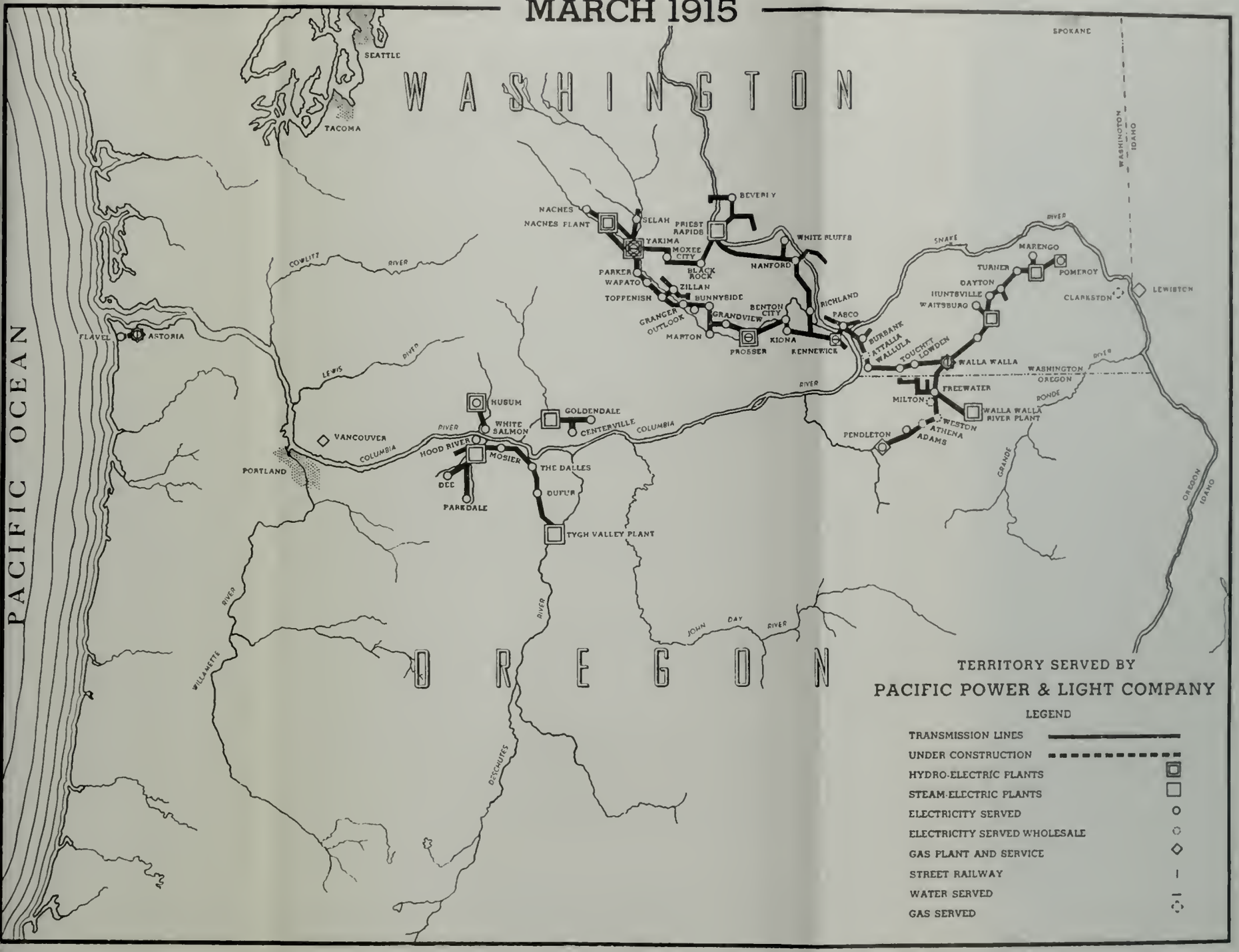
On October 18, 1915, the property was acquired by Pacific Power & Light Company at a cost of $184,009.13.

This utility at the time of acquisition was a going concern with an installed generating capacity of 300 kw, a complete distribution system serving Hood River and a portion of the rural population nearby, and approximately 275 customers.

The benefits to the customers of the acquisition of the property of Hydro Electric Company have been described in common with the benefits of acquisition of Hood River Light & Power Company under the discussion of that property.

Acquisition of Seaside Light and Power Company

The city of Seaside, Oregon, is located on the Pacific Ocean about twenty miles south of Astoria. It is a large beach resort and the characteristics of service requirements in the area


MARCH 1915
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
WASHINGTON
IDAHO
BEVERLY
NACHES
NACHES PLANT
SELAH
PRIEST RAPIDS
YAKIMA
MOXEE CITY
BLACK ROCK
WHITE BLUFFS
HANFORD
PARKER
WAPATO
TOPPENISH
ZILLAH
BUNNYSIDE
GRANGER
OUTLOOK
GRANDVIEW
BENTON CITY
MABTON
PROSSER
KIONA
KENNEWICK
RICHLAND
PASCO
BURBANK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
WASHINGTON
OREGON
FREEWATER
MILTON
WALLA WALLA RIVER PLANT
WESTON
ATHENA
ADAMS
PENDLETON
SNAKE RIVER
MARENGO
TURNER
POMEROY
DAYTON
HUNTSVILLE
WAITSBURG
CLARKSTON
LEWISTON
GRANDE RONDE
OREGON
IDAHO
FLAVEL
ASTORIA
COWLITZ RIVER
LEWIS RIVER
VANCOUVER
COLUMBIA RIVER
PORTLAND
HUSUM
WHITE SALMON
GOLDENDALE
CENTERVILLE
HOOD RIVER
MOSIER
THE DALLES
DEE
PARKDALE
DUFUR
TYGH VALLEY PLANT
WILLAMETTE RIVER
DESCHUTES RIVER
JOHN DAY RIVER
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
GAS PLANT AND SERVICE
STREET RAILWAY
WATER SERVED
GAS SERVED

differ from the rest of the Pacific Power & Light Company's service area on account of the preponderance of summer business.

Seaside Electric Company was incorporated on June 8, 1905, by Dan J. Moore, A. S. Froslid and Edwin C. Judd, under the laws of the State of Oregon, with an authorized capital stock of $1,000. On July 7, 1905, an electric franchise was granted by the Town of Seaside to the Seaside Electric Company. This franchise provided that construction be commenced within sixty days, but was modified by an ordinance dated March 2, 1906, specifying that service was to be rendered by September 1, 1906.

On March 3, 1906, this franchise was transferred to C. B. Rhodes and A. Welch. Some work had been done toward establishing a steam plant but there is no information concerning the work done either by the Seaside Electric Company or Mr. Rhodes and Mr. Welch.

On November 10, 1905, Mr. Rhodes and Mr. Welch, together with John H. McNary, had incorporated the Willamette Valley Company under the laws of the State of Oregon. The purposes of the company were to construct or purchase and operate railway lines, electric systems, gas systems and water systems "in the cities of Corvallis, Eugene, Albany and any other towns and cities in the State of Oregon." The authorized capital stock was $800,000. The Seaside property was transferred to the Willamette Valley Company by a deed dated May 15, 1906. There is no information available concerning the original installation in Seaside. Service was made available in the summer of 1906.

Seaside Light and Water Company was incorporated on August 19, 1907, under the laws of the State of Oregon with a capital stock of $50,000. The incorporators were A. Welch, E. W. Hall and John H. McNary. The Seaside property was transferred to the new company on the date of incorporation.

A report made in the spring of 1912 shows that the steam plant then consisted of three boilers, two of which were of 100 horsepower capacity and the other of 250 horsepower, and three engines. There were two generators, 120 kw and 90 kw, both single phase and both manufactured by General Electric Company.

The year around residence meter rate consisted of a fixed charge of $1.00 monthly and an energy charge of $0.06 per kilowatt hour. There was also a rate for summer cottages of $0.18 per kilowatt hour and a minimum monthly charge of $1.00.

In 1911, the town lost its main industry through failure of a lumbering company and the local bank. In May, 1912, fire wiped out the main business section and summer resort business became the principal occupation of the town.

On August 9, 1912, the property of Seaside Light and Water Company was transferred to Seaside Light and Power Company. This company was incorporated on June 12, 1912, under the laws of the State of Oregon, with an authorized capital stock of $50,000. The incorporators were A. Welch, William Pollman and A. Prichard. All the common stock of the new company and $35,000 in bonds were given for the plant and franchises of the old company.

The steam plant was increased by the addition of a battery of two 125 horsepower boilers equipped with Dutch ovens for burning mill refuse. The two single phase generators were replaced by three three phase generators, one 75 kw, one 150 kw and one 200 kw, all rated at 2300 volts.

On April 24, 1916, the plant and franchises of Seaside Light and Power Company were acquired by Pacific Power & Light Company. The acquisition is recorded on the books of the Pacific Company in an amount of $86,683.76. The business enterprise acquired in the purchase of this property was definitely a going concern with a very complete generating and distributing system. The installed capacity was 425 kw and there were in January, 1916, a total of 333 customers. For August of the preceding year, during the vacation season, the number of customers had reached a total of 578.

Benefits to Customers from the Acquisition of the Seaside Distribution System

When the Seaside system was acquired, a transmission line was constructed between Astoria and Seaside by Pacific Power & Light Company. It was then possible to use the power available at Astoria to serve this newly acquired system and to retire from service the Seaside steam generating station, which was both inefficient and too small to take care of the load. The availability of sufficient power and the integration of this entire Clatsop County area under one system resulted in a reduction in the average cost to the customer for the energy used.

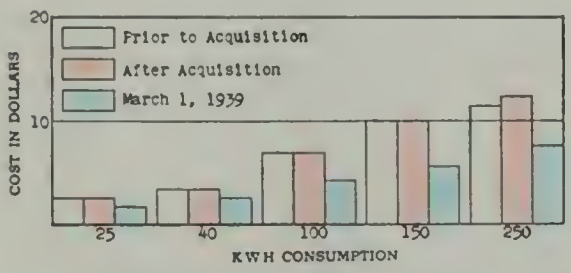


CHART 44—Cost of Residence Service - Seaside, Oregon

The cost to the customer for year round residence service for 25, 40, 100, 150, and 250 kilowatt hours under the rates of Seaside Light and Power Company, the first rates of the Pacific Company just after acquisition and the rates effective March 1, 1939, is shown on Chart 44.

Acquisition of the Electrical Property of Gearhart Park Company

The community of Gearhart, Oregon, is located about two miles north of Seaside and like the latter town is a beach resort.

Gearhart Park Company was incorporated on February 10, 1913, under the laws of the State of Oregon, with a capital stock of $300,000. The purpose of the company was to establish and maintain a beach resort and to engage in any kind of enterprise that was necessary to that end.

A distribution line including transformers and meters was built and power was purchased wholesale from Seaside Light and Power Company. On June 28, 1916, the system was sold

to Pacific Power & Light Company for an amount of $1,527.60. This system was entirely rebuilt soon after its acquisition.

Acquisition of the Attalia Distribution System

The community of Attalia is located in the western part of Walla Walla County, Washington, and is a small farming center.

Attalia Dairy Products Company was incorporated on April 28, 1913, under the laws of the State of Washington. Its capital stock was $100,000 and its purpose was for developing a general agricultural, farming and stock raising business. For development purposes it purchased electric power wholesale from Pacific Power & Light Company for sale in its platted townsite of Attalia, Washington.

The distribution system which had been constructed was sold to Pacific Power & Light Company on April 2, 1917, for an amount of $2,127.35.

Acquisition of the Burbank Distribution System

The community of Burbank, like that of Attalia, is located in the western part of Walla Walla County, Washington, and is likewise a small agricultural settlement.

Burbank Company was incorporated November 8, 1912, under the laws of the State of Washington, with a capital stock of $666,700. The purpose of the company was to deal in lands, to engage in irrigation and to erect and operate water and power plants. A distribution system was constructed by the company to serve its platted townsite of Burbank, Washingon.

On February 6, 1918, this distribution system was sold to Pacific Power & Light Company for an amount of $2,500.

Acquisition of the Cannon Beach Electric System

The community of Cannon Beach, Oregon, is located about nine miles south of Seaside on the Pacific Ocean, and is a beach resort with a rather large population during the summer season.

The first electric service in Cannon Beach was furnished by Walter T. Lynn, who operated under the firm name of Cannon Beach Electric Company, which was never incorporated. Service was first furnished on April 1, 1925. The generating equipment consisted of a 25 kva generator belted to a 25 horsepower semi-Diesel engine. Later on, a 90 kva generator direct connected to a 120 horsepower Diesel engine was installed.

Meter rates were as follows:

First	20 kwh per month	22.2 cents per kwh
Next	50 kwh per month	16.6 cents per kwh
All over	70 kwh per month	11.1 cents per kwh

Less 10% if paid by 10th of month.
Minimum charge $1.00.

For summer service only, rates were the same but the minimum monthly charge was $2.00

On September 24, 1928, the Cannon Beach property was sold to Pacific Power & Light Company, for an amount of $18,715.31.

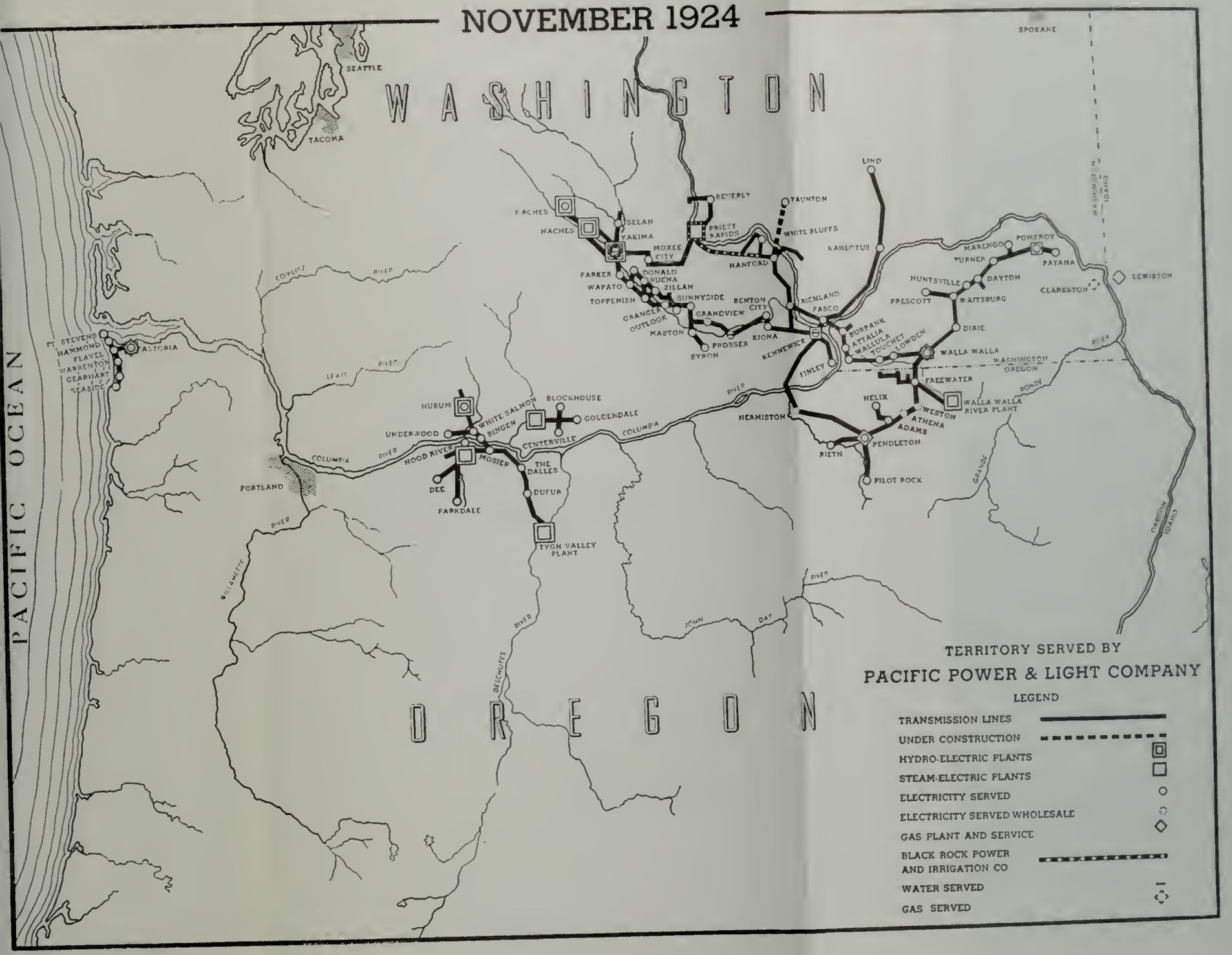
As soon as the Cannon Beach system was acquired by the Pacific Company, a line was constructed from Seaside to Cannon Beach with a substation at the latter location. The old Diesel plant was retired from service and electric energy was obtained from the Astoria-Seaside system with rates reduced to the Seaside level.

Acquisition of the Property of Hood Light Company

Hood Light Company was a voluntary, non-profit association which purchased power wholesale from Pacific Power & Light Company for use by its members. It owned a small distribution system not far from Parkdale, Oregon, in the Hood River Valley.

On September 18, 1928, this system was sold to Pacific Power & Light Company and the purchase recorded on its books in an amount of $6,565.30.

This acquisition was the last of the small properties acquired prior to the purchase of properties of Inland Power & Light Company discussed in the next chapter.


NOVEMBER 1924
WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
ASTORIA
STEVENS
HAMMOND
FLAVEL
WARRENTON
GEARHART
SEASIDE
COWLITZ RIVER
LEWIS RIVER
COLUMBIA RIVER
WILLAMETTE RIVER
DESCHUTES RIVER
JOHN DAY RIVER
SNAKE RIVER
GRANDE RONDE RIVER
WASHINGTON IDAHO
OREGON IDAHO
PORTLAND
NUBUM
WHITE SALMON
BINGEN
BLOCKHOUSE
GOLDENDALE
UNDERWOOD
CENTERVILLE
HOOD RIVER
MOSIER
THE DALLES
DEE
PARKDALE
DUFUR
TYGH VALLEY PLANT
PACHES
NACHES
SELAH
YAKIMA
MOXEE CITY
BEVERLY
PRIEST RAPIDS
TAUNTON
WHITE BLUFFS
HANFORD
PARKER
DONALD
BUENA
ZILLAH
WAPATO
TOPPENISH
SUNNYSIDE
GRANGER
OUTLOOK
GRANDVIEW
BENTON CITY
MABTON
PROSSER
BYRON
KIONA
KENNEWICK
RICHLAND
PASCO
KAHLOTUS
LIND
BURBANK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
WASHINGTON
OREGON
FREEWATER
WALLA WALLA RIVER PLANT
ITNLEY
HERMISTON
HELIX
WESTON
ATHENA
ADAMS
PENDLETON
RIETN
PILOT ROCK
MARENGO
TURNER
POMEROY
PATANA
NUNTSVILLE
DAYTON
CLARKSTON
LEWISTON
PRESCOTT
WAITSBURG
DIXIE
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
GAS PLANT AND SERVICE
BLACK ROCK POWER AND IRRIGATION CO
WATER SERVED
GAS SERVED

CHAPTER VI

PACIFIC POWER & LIGHT COMPANY

CHAPTER VI

PACIFIC POWER & LIGHT COMPANY

ACQUISITIONS, GROWTH AND DEVELOPMENT

1930 - 1936

On July 16, 1930, an agreement was entered into between Pacific Power & Light Company and American Power & Light Company whereby certain of the properties of Inland Power & Light Company were to be sold to Pacific Power & Light Company. These properties included all the holdings of Inland Power & Light Company at that time, except the Ariel, Wallowa Falls and Cove power projects. In addition, the agreement provided for the sale of the Public Service Building, held by Frank A. Reid, to Pacific Power & Light Company.

The properties acquired from Inland Power & Light Company under the above mentioned agreement include the following:

(1) Electric systems acquired from Puget Sound Power & Light Company, including the Kalama and Woodland, Washington, and the Rainier, Oregon, distribution systems.

(2) Electric facilities acquired from Black Rock Power & Irrigation Company, including the Hanford, Washington, substation and distribution system and the Coyote Junction-Hanford transmission line.

(3) Sherman Electric Company.

(4) Deschutes Power & Light Company property except Cove power project.

(5) Enterprise Electric Co. property except Wallowa Falls power project.

(6) Deschutes Ice Company.

(7) Yakima Central Heating Company.

(8) Ridgefield Light & Power Company.

(9) Certain transmission lines constructed by Inland Power & Light Company.

All these properties were deeded to Pacific Power & Light Company on July 18, 1930.

The following paragraphs describe in detail the development of the various properties listed above which were acquired by the Pacific Company.

PUGET SOUND POWER & LIGHT COMPANY PROPERTIES

Formation of Kalama and Rainier Electric Companies

The first electric generating station in the Kalama-Woodland-Rainier area was constructed about 1902 by A. L. Watson, who had acquired some 480 acres of land along the Kalama River to control the power rights. The original plant consisted of an intake tunnel, a wooden flume and a 125 horsepower, single runner S. Morgan Smith water wheel belted to a 90 kw, single phase 2300 volt generator, the machinery being housed in a frame building. A 6600 volt single phase transmission line of No. 6 copper was built to Kalama, Washington, and energy was furnished for lighting the town.

On March 3, 1903, Mr. Watson, together with J. P. Atkin, L. M. Sims, E. Carlson and A. Bystrom, incorporated under the laws of the State of Washington, as the Kalama Electric Light and Power Company. This company took over the property and business which had been started. The original capitalization was $15,000, but on September 25, 1903, the capital stock was increased to $20,000.

A few years later, either in the latter part of 1905, or early in 1906, a 250 kw, three phase, Bullock generator direct connected to a 450 horsepower S. Morgan Smith double runner turbine was installed and an additional three phase circuit was built on the original poles to the Columbia River, near Coffin Rock. A 10,000 volt cable was laid across the Columbia River and energy was supplied to the Rainier Electric Power Company in the town of Rainier, Oregon. On September 12, 1905, the capital stock of Kalama Electric Light and Power Company was increased to $30,000.

Rainier Electric Power Company was incorporated March 13, 1906, by S. S. Strain, Edwin G. Amme and R. C. Wright, under the laws of the State of Oregon, with a capital stock of $6,000. This company had no generating station but depended entirely on power purchased from the Kalama company.

Formation of Washington-Oregon Corporation

On December 7, 1910, the Washington-Oregon Corporation was incorporated by Isaac W. Anderson, A. Welch, E. W. Hall, Henry G. Fleischauer, R. M. Boykin, C. H. Berryman and A. J. Pitkin under the laws of the State of Washington, with an authorized capital of $5,000,000 including $500,000 preferred and $4,500,000 common stock. The Washington-Oregon Corporation purchased a number of utility properties in Washington and Oregon. On April 1, 1911, the property of Rainier Electric Power Company was sold to Washington-Oregon Corporation for an unknown amount and on April 4, 1911, the property of Kalama Electric Light and Power Company was sold to the Washington-Oregon Corporation for $160,000 cash.

In the latter part of 1911, a third generator was installed at the Kalama River plant. In January, 1914, the plant was partially destroyed by fire, and in the rebuilding, the single phase machines were made three phase, the rebuilt plant being put into service in June, 1914.

Due to inability to meet its financial obligations, the Washington-Oregon Corporation, on July 31, 1914, was placed in the hands of a receiver. On November 10, 1915, the properties were sold at receiver's sale to North Coast Power Company.

Formation and Development of North Coast Power Company

In pursuance of a reorganization agreement, Washington-Oregon Utilities Company was incorporated September 27, 1915, for the purpose of bidding for and taking over the properties heretofore operated by the Washington-Oregon Corporation. The new company was organized by the secured creditors of the old company. Under the terms of the reorganization agreement, the holders of bonds of the old corporation received general lien and income bonds of the new company to the extent of 40 per cent of their claims, and preferred stock of the new company to the extent of 60 per cent of their claims. The general creditors participated in the common stock of the new company which had been incorporated under the laws of the State of Washington. The authorized stock consisted of $1,200,000 preferred and $550,000 common, all of which was issued. A short time afterwards, the name of the company was changed to North Coast Power Company.

The Town of Woodland on April 30, 1906, granted to W. S. Lawyer a franchise for the operation of an electric distribution system in that town. The rate specified in the franchise was "50 cts. per light for 16-candlepower for every light up to 6 lights and 40 cts. per light for every light after the 6 lights." W. S. Lawyer purchased power wholesale from the Kalama Electric Light and Power Company and served the town of Woodland, doing business under the name of Woodland Electric Light Co., which was never incorporated. Some time in the year 1912, the system was sold to Independent Electric Company but the bill of sale was not recorded.

Independent Electric Company was incorporated April 8, 1912, by H. G. Fleischauer, H. K. Lugger and M. F. Brady, under the laws of the State of Washington, with an authorized capital stock of $50,000. It acquired distribution systems in several of the towns of the southwestern part of Washington and purchased power wholesale from the Washington-Oregon Corporation for resale to its customers in those towns. Among the properties purchased was the Woodland property, which it operated until October 12, 1917, when that system was transferred to the Washington-Idaho Water, Light & Power Company.

Washington-Idaho Water, Light & Power Company (incorporators unknown) was incorporated May 22, 1916, under the laws of the State of Massachusetts, as the Idaho-Washington Water, Light & Power Company. The original authorized capital stock was $1,200,000 but this was increased to $3,000,000 on January 17, 1917. This company acquired several electric and

water systems in both Idaho and Washington. Among these properties were the Clarkston and Asotin, Washington, electric and water systems, the Lewiston electric system and the Woodland electric system.

On September 1, 1920, the Woodland property was sold to C. H. Forney for the sum of $10,000. Under Mr. Forney's ownership the property was operated as the Lewis River Light & Power Company but was never incorporated. After making extensive improvements and additions to the system the property was sold on October 11, 1922, to the North Coast Power Company for $14,500. All the properties of North Coast Power Company were sold to Puget Sound Power & Light Company on May 29, 1924.

Puget Sound Power & Light Company was a Massachusetts corporation which had been incorporated July 8, 1912. It sold on April 7, 1926, all the property which it had acquired which was located south of the Kalama River plant to the Inland Power & Light Company and to the Portland Electric Power Company. The Puget Sound Company retained certain property, including the Kalama River Plant and systems north of that plant, for its own system.

Acquisition of Puget Sound Properties

The purchase of the Rainier electric system is recorded on the books of Inland Power & Light Company by an amount of $185,901.75 and the purchase of the Kalama-Woodland system is recorded by an amount of $172,648.82.

The property acquired by Inland Power & Light Company from Puget Sound Power & Light Company has never been operated by Pacific Power & Light Company. It was leased by the Inland Company to Northwestern Electric Company to be operated by that corporation in conjunction with the properties of the Ridgefield Light & Power Company. This lease agreement was continued by the Pacific Company after acquisition of these properties.

At the time that the Kalama-Woodland-Rainier system was acquired from the Puget Sound Company there were approximately 22 miles of pole line. Extension of service to new customers in the territory surrounding the three principal cities in this area increased the pole line mileage to 166 miles by the end of 1938. The principal contribution of the Pacific Company in this territory has been the large scale extension of service to all parts of the area, thus making available the use of electricity to a large number of consumers.

BLACK ROCK POWER & IRRIGATION COMPANY

The predecessors of Black Rock Power & Irrigation Company are discussed in the following paragraphs.

Hanford Irrigation & Power Company was incorporated November 13, 1905, by E. S. McCord, C. J. Smith and M. B. Haynes, under the laws of the State of Washington, with an authorized capital stock of $250,000. In July, 1910, it built an electric distribution system to serve the townsite of Hanford, Washington. This townsite was developed by the company as

a part of its irrigation and land promotion plans. A 22,000 volt transmission line had been constructed from the Priest Rapids generating station to the Hanford pumping plant and the distribution system was extended from that point.

On April 14, 1915, all the property of Hanford Irrigation & Power Company was deeded to Henry K. T. Lyons, who purchased the property at a receiver's sale. The company had been too optimistic in its irrigation program and was unable to stay in business when the sales of land and irrigation service ceased.

On May 21, 1915, Mr. Lyons deeded the property which he had acquired to the Black Rock Power & Irrigation Company. This company had been incorporated on April 20, 1915, (incorporators unknown) under the laws of the State of Delaware. The townsite of Hanford in the course of time had become only a small isolated village and on December 2, 1926, the electric property was sold to Inland Power & Light Company for $33,314.14. The transmission line acquired became an important link in the Pacific Company system and the substation was enlarged to become a transmission center.

The acquisition of the Coyote Junction-Hanford section of transmission line completed the 66,000 volt line between Yakima and Pasco by way of Hanford, which was essential in the

Hanford Substation - in the year 1927

integration of the Main Power System. This line had been used under a lease agreement prior to its acquisition. The Hanford substation is located at the point where power from the system of The Washington Water Power Company at Taunton is transformed from 110 to 66 kv. It has become one of the principal switching centers and is likewise an essential link in the integration plans for the system.

SHERMAN ELECTRIC COMPANY

The property acquired from Sherman Electric Company included distribution systems in Moro, Wasco and Grass Valley in Sherman County, Oregon, in Arlington and Condon in Gilliam County, in Heppner, Ione and Lexington in Morrow County and in Fossil in Wheeler County, Oregon. All of these communities were distribution centers in country devoted to the raising of grain and cattle.

Sherman Electric Company was incorporated on January 17, 1920, by Homer S. Wall, C. M. Huddleston and Noel B. Martin, under the laws of the State of Oregon, with an authorized capital stock of $200,000. It originally proposed to construct a generating station on the John Day River but this project was abandoned and plans were made to purchase power wholesale from Pacific Power & Light Company, to construct a transmission line from Dufur, Oregon, to the towns of Wasco, Moro and Grass Valley, and to serve these three towns with electrical energy. These three towns had previously had electrical service from three small local plants.

First Electric Service in Wasco, Oregon

On May 1, 1920, the electric distribution system in the town of Wasco was acquired from Atwood-Lee Company for the sum of $4,500. This company had been incorporated November 20, 1915, by R. C. Atwood, W. H. Lee, Walter A. May and L. B. Robinson, under the laws of the State of Oregon, with a capital stock of $15,000, to engage in a general garage, machine shop and electric light business in Wasco. A small generating station and a distribution system were built in 1916.

On February 7, 1916, an electric franchise was granted to Atwood-Lee Company by the City of Wasco. This specified the following meter rates:

First	30 kwh per month	$0.15	per kwh
Next	70 kwh per month	0.12½	per kwh
All over	100 kwh per month	0.10	per kwh

On February 1, 1917, an ordinance was passed by the City of Wasco providing for an increase in meter rates. The new rates were:

First	30 kwh per month	$0.17½	per kwh
Next	70 kwh per month	0.15	per kwh
All over	100 kwh per month	0.12½	per kwh

Minimum Charge—$1.50 per month

At the time of purchase by Sherman Electric Company, May 1, 1920, the distribution system acquired from Atwood-Lee Company was appraised by engineers and the reproduction cost was stated to be in excess of $5,000.

First Electric Service in Moro, Oregon

On February 25, 1904, the City of Moro issued $2,500 in bonds for the purpose of installing an electric light plant for lighting the streets and supplying electric lights to the inhabitants of the city. Two 25 horsepower Fairbanks-Morse gasoline engines with one 110 volt, direct current generator were installed in 1904. The rates charged are not available but the minimum charge was said to be $2.50 per month. Lighting service was furnished only from five a.m. until daylight and from dark to 10:15 p.m. On October 1, 1921, the electric distribution system was sold to Sherman Electric Company for $2,500. At that time electric light bonds were outstanding in the amount of $9,500.

First Electric Service in Grass Valley, Oregon

The City of Grass Valley on May 29, 1905, purchased a 20 horsepower Fairbanks-Morse gasoline engine and a 15 kw dynamo. The residence meter rate was $0.16 per kwh. About 1915 this rate was increased. Service was furnished from dark to ten p.m. and from five a.m. to daylight. On February 16, 1922, the electric distribution system was sold to Sherman Electric Company for the sum of $2,500.

First Electric Service in Condon, Oregon

Condon Light Company was incorporated on October 4, 1904, by W. N. Brown, J. W. Barr, and Louis Doonar, under the laws of the State of Oregon, with an authorized capitalization of $5,000. This company secured an electric franchise from the City of Condon for a term of twenty-five years, which it transferred to the Condon Electric Company.

Condon Electric Company was incorporated on July 18, 1905, by J. A. Scott, J. W. Snover and Jay Bowerman, under the laws of the State of Oregon, with a capital stock of $10,000. The plant installed consisted of a General Electric Company 50 kw, 1040 volt, single phase belt driven generator with one 25 horsepower horizontal gasoline engine and one 50 horsepower vertical gasoline engine, both engines being of the Fairbanks-Morse make. The first service was furnished about October 1, 1905. The meter rate was $0.25 per kilowatt hour. Flat rates were:

First 100 candlepower	$3.50 per month
Second 100 candlepower	2.00 per month

On January 8, 1927, the property of Condon Electric Company was sold to Sherman Electric Company for an amount of $35,589.88.

Formation of The Heppner Light and Water Company

Electric and water franchises were granted by the Town of Heppner, Oregon, to H. V. Gates on June 30, 1892. The rate specified for a 16-candlepower light was $1.45 for a light

burning until 10 p.m., $2.00 for a light burning until midnight, and $2.80 for all night service. On August 22, 1892, Mr. Gates transferred his franchises to The Heppner Light and Water Company. This company was incorporated on August 19, 1892, by Harry V. Gates, Thomas W. Ayers and James D. Hamilton, with an authorized capitalization of $40,000. A steam generating station in Heppner was constructed and service furnished early in the year 1893. Little is known of the early equipment installed. In 1911, two new 125 horsepower boilers and a new steam engine were placed in operation and two General Electric Company 2300 volt generators were installed, these having capacities of 50 kw and 100 kw.

In 1915, an 11,000 volt transmission line was constructed from Heppner to Ione and a distribution system was built at Lexington. Service was furnished to the City of Ione on December 13 of that year and to Lexington on December 6. This construction was done by and remained the property of H. V. Gates and O. B. Gates until January 8, 1918, when it was transferred to The Heppner Light and Water Company. The residence lighting rates in effect August 1, 1920, were as follows:

First	7 kwh or less per month	$1.40
Next	13 kwh per month	0.20 per kwh
Next	20 kwh per month	0.15 per kwh
All over	40 kwh per month	0.10 per kwh

At that time the company was forced to request the Public Service Commission of Oregon for an increase in rates because the company's books showed a net loss from operation. The following residence lighting rates effective January 1, 1921, were ordered by the commission on December 28, 1920:

First	6 kwh or less per month	$1.50
Next	14 kwh per month	0.22 per kwh
Next	20 kwh per month	0.18 per kwh
Excess over	40 kwh	0.12 per kwh

On January 8, 1927, the electric property of The Heppner Light and Water Company was sold to Sherman Electric Company for the sum of $28,598.44. The water system had been sold previously to the Town of Heppner.

First Electric Service in Arlington, Oregon

Not much information is available regarding the early electric plant established by the City of Arlington, Oregon. The first plant was constructed early in 1914, for on March 3, 1914, the city council passed an ordinance establishing rates and rules for service. The meter rate was $0.15 per kilowatt hour. A few years later the rate was reduced to $0.13 each for the first 40 kilowatt hours per month, $0.10 each for the next 60 per month and $0.06 each for the excess over 100 kilowatt hours. On April 10, 1922, a 100 horsepower Fairbanks-Morse Diesel engine and generator were purchased by the City of Arlington for the sum of $5,000. The entire electric system, which was direct current, was sold on February 9, 1927, for $7,000. The old system was scrapped and a new system built and connected to the Sherman transmission system.

First Electric Service in Ione, Oregon

The original plant at Ione, Oregon, was installed by the City of Ione about 1906. All the records of this plant were destroyed when the city hall at Ione burned about 1916. The plant was operated by steam originally and later by oil engine. The system was direct current with operation from dusk to midnight and from four a.m. until daylight. The rate was $0.25 per kilowatt hour with a minimum of $1.25 per month. Beginning in December, 1915, power was purchased wholesale from The Heppner Light and Water Company. On March 1, 1927, the distribution system was sold to Sherman Electric Company for $3,500.

First Electric Service in Fossil, Oregon

Service was first furnished to the town of Fossil, Oregon, on December 1, 1923, by the Fossil Milling Company. This company had been incorporated November 29, 1918, (incorporators unknown) under the laws of the State of Oregon, but at the time of organization there was no intent to engage in the electrical business. The plant installed consisted of a 75 horsepower semi-Diesel engine with a 40 kw generator, and service was furnished from sundown to midnight. The plant was destroyed in January, 1928, and the community was without electrical service until the system was connected to the Sherman system. On July 1, 1928, the system was sold to Sherman Electric Company for $5,000.

As soon as the Heppner, Condon and Arlington properties were acquired, Sherman Electric Company extended the 22,000 volt transmission line to connect these new properties to the original system. The substation facilities at Dufur were increased. In 1928, the transmission line was extended from Condon to Fossil.

Acquisition of Sherman Electric Company Properties

On July 10, 1928, all the Sherman Electric Company properties were purchased by Inland Power & Light Company as of January 1, 1928. These properties were acquired by Pacific Power & Light Company on July 18, 1930.

Benefits from the Acquisition of the Sherman Company Properties

The cost to the customer for residence service in the original Sherman Electric Company territory is shown on the diagram entitled "Cost of Residence Service—Moro, Oregon." The cost of 25, 40, 100, 150 and 250 kilowatt hours under the rates of Sherman Electric Company, the rates following acquisition by Pacific Company and the rates in effect March 1, 1939, is compared.

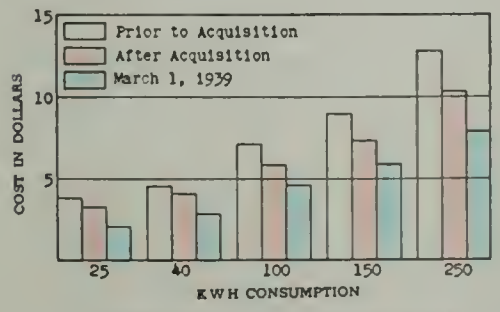


CHART 45—Cost of Residence Service — Moro, Oregon

The territory served by the Sherman Electric Company is sparsely populated and it has not been possible to increase the number of customers to any great extent. However, by an extension of the transmission system, it has been possible to give the cities

of Condon, Heppner, Arlington, Fossil, Ione and Lexington, as well as a number of smaller communities, a more dependable service at lower rates than they enjoyed under the smaller

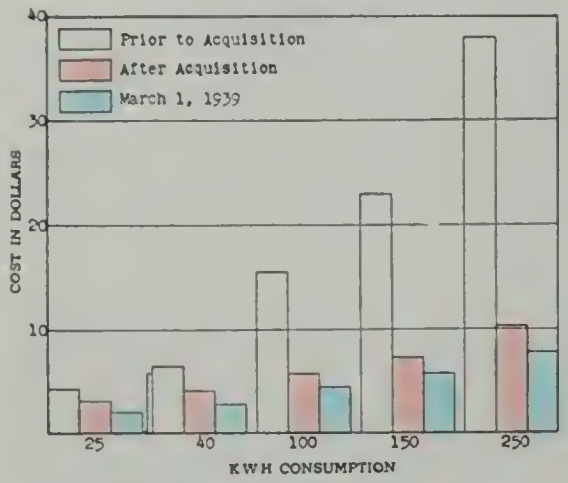


CHART 46—Cost of Residence Service - Condon, Oregon

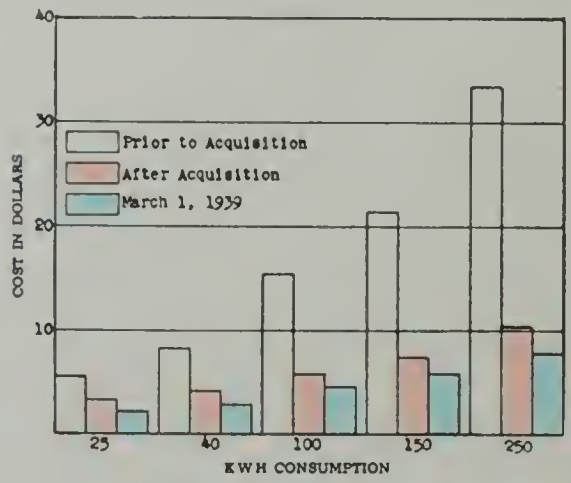


CHART 47—Cost of Residence Service - Heppner, Oregon

individual systems in these locations. Charts 46 and 47 show the cost to the customer for residence service in Condon and Heppner under the rates of Condon Electric Company and Heppner Light and Water Company, respectively, the rates following acquisition by Pacific Company and the rates in effect March 1, 1939.

As soon as the distribution systems in the various towns were acquired, the transmission facilities were extended to serve them and the small obsolete steam and Diesel generating stations were retired from service. The result has been a unified system with similar charges for service rendered and an improved type of service.

DESCHUTES POWER & LIGHT COMPANY

In the territory served by Deschutes Power & Light Company at the time of its acquisition by Inland Power & Light Company, the principal towns were Bend, Redmond, Prineville and Madras. By far the oldest of these was Prineville which was established in 1883 and which was an important link in the overland freighting of supplies. Bend was incorporated in 1904 and became the center of the pine lumber industry.

This entire area is well-known for lumbering, cattle raising and agriculture. The soil is capable of growing very fine produce when water is available and the area under irrigation is increasing.

First Electric Service in Prineville, Oregon

The first electrical system in this area was started in Prineville, Oregon. The Prineville Light and Water Company was incorporated on June 11, 1900, by A. S. Forsyth, C. E. Forsyth, L. Forsyth, H. V. Gates and Helen M. Gates, under the laws of the State of Oregon, with a capital stock of $2,000. The equipment consisted of two old type boilers which used slabwood as fuel, two 20 kw, 120 volt bipolar Edison machines belted to a Ball steam engine, two 20 kw, 120

volt direct current generators belted to a Reynolds steam engine, and two 300 gallon per minute Deane steam pumps. Water was pumped from thirteen shallow wells to a wooden tank of about 25,000 gallons capacity on the bench about one mile north of town, from whence it was distributed.

In October, 1902, lighting rates, according to a newspaper advertisement of the company, were as follows:

Evening until 10 p.m.	$0.05 per candlepower per month
Evening until midnight	0.06 per candlepower per month
All night lights	0.08 per candlepower per month

Formation of Cline Falls Power Company

Cline Falls Power Company was incorporated on August 3, 1901, by W. Lord, F. T. Hurlburt, D. J. Harris and A. E. Hammond, under the laws of the State of Oregon, with a capital stock of $50,000. While it was organized for both irrigation and electric power purposes, no electrical development was commenced until late in 1912 when George Jacobs of Portland acquired the property and installed a 75 kw generator to serve Redmond and Prineville with electrical energy.

Formation of Crook County Water, Light and Power Company

Crook County Water, Light and Power Company was incorporated under the laws of the State of Oregon on January 8, 1909, by D. L. Miller, E. B. Borne, Jr., F. W. McCaffery, B. A. Kendall, H. F. Jones, J. A. McCoy, Carl N. Ehret and Joe H. Jackson, with an authorized capital stock of $50,000. It was organized to construct an electric railroad from Redmond to Prineville, but no construction was done. However, a small electric and water pumping plant was established in Redmond, Oregon, in 1910. The equipment consisted of a nine horsepower Fairbanks-Morse gasoline engine belted to a Fairbanks-Morse direct current, 120 volt generator of about 5 kw capacity. The engine was also belted to a pump which supplied water to a 10,000 gallon wood stave tank for the city water supply. The electric rate was a flat rate of $0.60 per lamp per month, and in 1912 the plant was loaded to capacity. J. G. McGuffie was one of the officers of the company, and electrical and water systems had been carried on the records in his name. He deeded the property to Crook County Water, Light and Power Company on September 9, 1913.

Formation of Cove Power Company

Cove Power Company was incorporated on June 11, 1910, by W. A. Booth, G. M. Cornett, Warren Brown and D. F. Stewart, under the laws of the State of Oregon, with an authorized capital stock of $50,000, which was later increased to $100,000. On account of financial difficulties, little work was done until the summer of 1912.

The first installation consisted of a 750 horsepower Leffel horizontal hydraulic turbine and a General Electric Company 400 kw, 2300 volt generator. The station and lines were not completed until the early part of the year 1913.

Formation of Des Chutes Power Company

On January 27, 1913, Des Chutes Power Company was incorporated under the laws of the State of Washington, with an authorized capital stock of $300,000. The office of this company was in Spokane, Washington, and the incorporators were W. C. Sivyer, Bert L. Sivyer, L. M. Simpson, Samuel Galland and Adolph Galland. The company was formed to buy up and consolidate the properties in this area. Cline Falls Power Company and Cove Power Company were both building facilities into Prineville but neither had completed their lines when Des Chutes Power Company came into control.

The property of The Prineville Light and Water Company was transferred to the new company on January 28, 1913; the property of Cline Falls Power Company was transferred to W. C. Sivyer on March 5, 1913, and by him transferred to the Des Chutes Power Company on the same date. The property of Cove Power Company was transferred to the new company on March 31, 1913, and the property of Crook County Water, Light and Power Company was transferred on September 9, 1913. There is no record of the amount received by the old companies, but $218,000 common stock of Des Chutes Power Company was issued to W. C. Sivyer for the properties of the four companies. Des Chutes Power Company also assumed all construction bills from December 22, 1912, a mortgage of $17,500 in favor of H. V. Gates and C. E. Forsyth, and a bond of $2,500 given to install pumping machinery at Cline Falls.

In 1914, Des Chutes Power Company installed a 35 inch horizontal Leffel-Sampson hydraulic turbine and a 150 kva 6600 volt generator at the Cline Falls generating station.

In 1924, another unit was installed at the Cove generating station. This consisted of a 1225 horsepower S. Morgan Smith water turbine and a 700 kw General Electric Company generator. The capital stock of Des Chutes Power Company was increased on December 15, 1924, to $450,000.

On September 2, 1926, the property of Des Chutes Power Company was sold to Deschutes Power & Light Company and recorded on the latter company's books by an entry of $490,411.54 as the cost of the plant purchased.

Formation of Bend Water, Light and Power Company

The beginning of utility business in the city of Bend, Oregon, was made by The Pilot Butte Development Company when it filed on 2,000 second feet of water from the Deschutes River "for developing power for electric and other purposes." This was appropriated by a water permit dated November 28, 1908. The Pilot Butte Development Company had been incorporated under the laws of the State of Oregon on October 18, 1900, by A. M. Drake, Florence Drake and Charles J. Cotter, with $20,000 common and $30,000 preferred stock.

Bend Water, Light and Power Company was incorporated on November 1, 1904, by G. L. Goodwillie, Geo. C. Steinemann and W. E. Guerin, Jr., under the laws of the State of Oregon, with a capital stock of $10,000. About the middle of the year 1909, construction work

Bend Generating Station - constructed in 1910 by Bend Water, Light and Power Company.

was started on a power plant in Bend. The first unit was installed and lighting service was commenced the first of November, 1910. This installation consisted of a 150 horsepower Sampson hydraulic turbine and a 120 kw, 2300 volt Bullock generator. This installation was changed within two years, for in 1912 another turbine of the same size and type was installed but the older generator was removed and a 100 kw and a 150 kw generators were installed.

In 1910, a flat rate of $0.50 per 16-candlepower light for residence service was quoted. This was subject to a discount of 10% for 10 lights, and 15% for 20 lights or over.

The meter rates in 1910 were as follows:

First 20 kwh per month	$0.15 per kwh
Next 20 kwh per month	0.14 per kwh
Next 20 kwh per month	0.12 per kwh
Next 40 kwh per month	0.10 per kwh
Next 100 kwh per month	0.08 per kwh
Next 300 kwh per month	0.06 per kwh
Minimum rate	$1.00
Meter rent	0.25 per month

On November 10, 1911, the water rights of The Pilot Butte Development Company were transferred to Bend Water, Light and Power Company.

In 1914, there was serious threat of competition from two men, John Steidl and Thomas Tweet. These men had installed electrical equipment in a mill down stream from the Bend Company's plant. They applied to the city for a franchise and the regulatory commission, the Railroad Commission of Oregon, was called in to evaluate the property of Bend Water, Light and Power Company. An election was called to vote on the franchise and the proposed opposition plant was defeated by a narrow margin.

In 1913, a new power house was constructed, the hydraulic works were rebuilt and improved, and a 450 horsepower S. Morgan Smith turbine with a 200 kw generator was

Bend Generating Station - December 31, 1936.

installed. In 1916, another 450 horsepower S. Morgan Smith turbine with a 350 kw generator was installed, and in 1917 a 600 horsepower James Leffel turbine with a 560 kw generator was installed to make the plant substantially the same as it appeared December 31, 1936.

On January 8, 1916, supplemenrary articles of incorporation increased the capital stock to $250,000, made up of $50,000 preferred stock and $200,000 common stock.

Supplementary articles of incorporation dated August 26, 1926, changed the name of Bend Water, Light and Power Company to Deschutes Power & Light Company. After the acquisition of the property of Des Chutes Power Company, a transmission line was built to connect the Bend system to the Redmond-Prineville-Madras system.

Acquisition of Deschutes Properties

On July 10, 1928, the property of Deschures Power & Light Company was purchased by Inland Power & Light Company These properties, except the Cove power project, were acquired by Pacific Power & Light Company on July 18, 1930.

Benefits from Acquisition of the Deschutes Properties

When Inland Power & Light Company acquired the properties of Deschutes Power & Light Company, all the parts of the system had been connected together as at the present time. There were three generating stations, the Bend, Cove and Cline Falls hydroelectric plants, and arrangements had been made so that power could be purchased from two different lumber mills in the city of Bend to take care of system peak loads and any emergencies which might occur. When acquired by the Inland Company the property was leased to Pacific Power & Light Company for operation.

The largest contribution of the Pacific Company toward the welfare of this territory has been the extension and strengthening of the system to serve additional customers and new industrial developments. The total number of customers served has increased from 3,729 in 1930 to 4,766 in 1938. For the same years the average kilowatt hour consumption has increased from 2,769 to 3,250 per year.

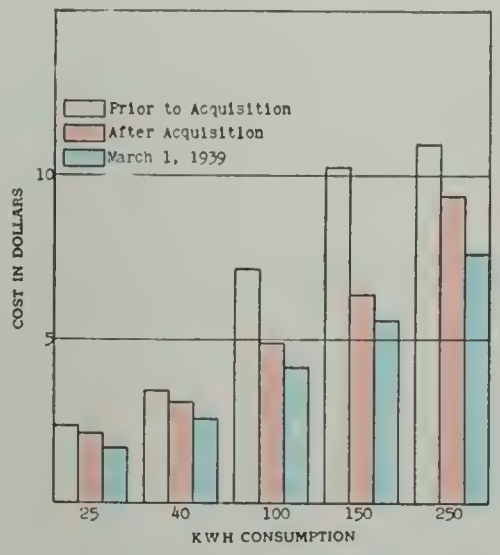


CHART 48—Cost of Residence Service — Bend, Oregon

The cost to the customer for residence service under the rates of Deschutes Power & Light Company, the first rates of the Pacific Company and the rates effective March 1, 1939, is shown on Chart 48. It has been possible through centralized management for the Pacific Company to make substantial reductions in the rates in the Deschutes System.

ENTERPRISE ELECTRIC CO.

The territory served by Enterprise Electric Co. includes the greater part of Wallowa County, Oregon, and is in the rather small isolated valley of the Wallowa River. The principal towns are Enterprise, the county seat, and Wallowa, Joseph and Lostine. The valley is well known for cattle and sheep raising and the raising of hay, grain and other agricultural crops. The location of the valley and its distance from other sources of electricity make it dependent on plants located within the territory.

First Electrical Service in Enterprise, Oregon

The original plant which served the town of Enterprise was constructed on Spring Creek about one mile south of the town and was first operated on January 18, 1901. This plant was built by F. N. Averill and A. H. Averill, partners operating under the name of Averill Construction Company. The generator installed was of 30 kw capacity. The lighting rate was $0.65

per 16-candlepower light per month. The plant was built with the idea of selling it to the city on completion, but for some reason the city council was not convinced that it would be to its best interest to get into the business and did not buy the plant.

Some time in the year 1901, the plant was sold to Chester C. Turley and William Makin. The plant site had been leased so that no transfer of real estate was involved and the bill of sale seems not to have been recorded.

It is recorded that on March 12, 1902, Mr. Makin sold his half interest to Chas. G. Stacey for the sum of $1,400. Mr. Turley sold his interest to J. D. Zurcher, but the purchase price is not known. About 1903, the plant was moved to Enterprise and operated in connection with the planing mill.

The planing mill burned on March 24, 1904, and shortly after that Mr. Zurcher sold his interest in the electric system to William Makin for the sum of $2,000 so that the plant was then owned by Chas. G. Stacey and William Makin. Another generator was installed in the Enterprise flour mill and operated until the planer mill could be rebuilt. In July, 1904, another fire occurred in which the generating plant was completely destroyed.

The owners were about to abandon the plant when it was purchased by E. J. Forsythe who put in new equipment including a 60 kw generator and operated the plant at the same location until the fall of 1905.

During the spring of 1905, Jonathan Haas was taken in as a partner and a new site for a generating station was purchased about a mile west of Enterprise. Mr. Forsythe and Mr. Haas assumed the name of Enterprise Electric Company. The new generating station consisted of a 230 horsepower Trump single runner water wheel and 200 kw National Electric Company 2300 volt, three phase generator. This plant was of sufficient capacity to supply the needs of the city until the towns of the present Enterprise system were connected in the latter part of 1912. The first meters were installed in 1909.

Formation of Enterprise Electric Co.

On June 15, 1911, Enterprise Electric Co. was incorporated under the laws of the State of Oregon, with an authorized capitalization of $50,000. Jonathan Haas, E. J. Forsythe and Amy E. Forsythe were incorporators and the property was transferred to the new company by a deed dated June 26, 1911.

First Electric Service in Lostine, Oregon

A small direct current plant was installed in Lostine in 1902 by C. M. Smith of the Lostine Milling Company. His company had been incorporated March 31, 1898, under the laws of the State of Oregon, with a capital stock of $7,000, to engage in the flour milling business in Lostine. The electric plant was a Roth 220 volt, direct current generator of approximately 10 kw capacity operated by the mill. This installation lasted until 1907, when the generator burned out and was replaced by a Fairbanks-Morse generator of about double the

capacity of the original machine. These installations supplied the community in a haphazard way until November, 1912, when the distribution system was connected to the Enterprise-Wallowa transmission line. The electric property of Lostine Milling Company was sold to Enterprise Electric Co. October 23, 1912.

First Electric Service in Wallowa, Oregon

The first electric plant in the town of Wallowa was installed by The Wallowa Mercantile Company in 1900, and consisted of a 15 kw Wagner 220 volt, direct current generator driven from the flour mill shaft. About the year 1907 a General Electric Company 225 kw, 2300 volt generator was installed with a large water wheel, both of which machines were purchased second-hand from the company which supplied La Grande. The Wallowa Mercantile Company had been incorporated November 11, 1896, to engage in a general store business and to run the Wallowa Roller Mills. The capital stock authorized was $35,000. On November 21, 1907, supplementary articles of incorporation authorized the company to engage in a general electrical business.

In 1910, meter rates in Wallowa were as follows:

First	25 kwh per month	$0.15 per kwh
Next	25 kwh per month	0.14 per kwh
Next	25 kwh per month	0.13 per kwh
Next	25 kwh per month	0.12 per kwh
Next	100 kwh per month	0.11 per kwh
All over	200 kwh per month	0.10 per kwh

The plant established by this company was subject to ice trouble in the winter months and was often out of service for weeks at a time. On May 1, 1912, the electrical system of The Wallowa Mercantile Company was sold to George E. Jacobs, who had acquired control of the Enterprise and Lostine properties through ownership of the majority of the stock. Mr. Jacobs transferred the Wallowa property to Enterprise Electric Co. on May 18, 1912.

As soon as the three electric systems at Enterprise, Lostine and Wallowa were under the ownership of Enterprise Electric Co., a transmission line was constructed from Enterprise to Wallowa and the load problems were temporarily solved by the use of both the Enterprise and Wallowa generating stations to handle the varying demands of the new system. About the year 1916, the demand for power had so greatly increased that it was necessary to obtain more power. This problem was solved by the purchase of the Joseph plant.

First Electric Service in Joseph, Oregon

The first electric plant in Joseph was established in 1900 by F. D. McCully, banker, miller and merchant. It consisted of a 30 kw Allis-Chalmers 110 volt alternating current generator driven from a line shaft in the flour mill. This served the needs of the town after a fashion until 1907, when an Allis-Chalmers 75 kva, 2300 volt generator was installed. In 1909, a new and larger plant was constructed. This was considered a very modern plant at that time and

consisted of a 400 horsepower Allis-Chalmers hydraulic turbine direct connected to a 225 kva Allis-Chalmers 2300 volt, three phase generator. This plant was supplied with water through a 4,800 foot wood stave pipe line three feet in diameter under a 125 foot head.

Joseph Light and Power Company was incorporated on May 28, 1909, under the laws of the State of Oregon, with an authorized capitalization of $50,000. The incorporators were F. D. McCully, W. D. McCully and F. F. McCully. The interests of F. D. McCully were transferred to the new company on June 21, 1910, the consideration being stated on the deed as $1,000.

On November 10, 1916, the Joseph property was deeded to the Enterprise Electric Co. It was stated at that time that the purchase of the property was made for $57,500. The transmission line was extended from Enterprise to Joseph and all the valley was under the one system.

Joseph Generating Station constructed in 1923 by Inland Power & Light Company

In 1919, the rates for metered residence lighting service in all the territory of the Enterprise Electric Co. were as follows:

First	25 kwh per month	$0.12 per kwh
Next	75 kwh per month	0.03 per kwh
All over	100 kwh per month	0.02 per kwh

Minimum Monthly Charge $1.00

In June, 1920, construction of the Wallowa Falls generating station was commenced. This plant was a high head plant with a 1500 horsepower Henry water turbine and an 800 kw General Electric Company 6600 volt, three phase generator. The plant was completed in 1921, and a transmission line built to Joseph to connect this plant to the system.

On July 10, 1928, the property of Enterprise Electric Co. was sold to Inland Power & Light Company as of January 1, 1928. The Inland Company, by the construction of a new modern type power plant at Joseph, insured a sufficient power supply to care for the growing needs of the system. All these properties except the Wallowa Falls power project were acquired by Pacific Power & Light Company on July 18, 1930.

Benefits from the Acquisition of the Enterprise System

The greatest contribution of the Pacific Company in the Enterprise district has been the extension of electrical service to as large a number of customers as possible and the strengthening of the system to keep pace with increasing use resulting from an aggressive load building policy. The average annual kilowatt hour consumption has increased from 1300 in 1927 to 1695 in 1938.

DESCHUTES ICE COMPANY

Deschutes Ice Company was incorporated on December 17, 1914, under the laws of the State of Oregon, with an authorized capitalization of $10,000 and with headquarters at Bend, Oregon. The incorporators of this company were interested in Bend Water, Light and Power Company. Ice plant machinery and equipment were installed in the old power plant building. On April 3, 1922, the authorized capital stock was increased to $20,000.

On July 10, 1928, the property of Deschutes Ice Company was sold as of January 1, 1928, ro Inland Power & Light Company.

YAKIMA CENTRAL HEATING COMPANY

Yakima Central Heating Company was incorporated on April 21, 1909, under the laws of the State of Washington, with an authorized capital of $100,000. The purpose of the corporation was to install a steam heating system in the city of Yakima, Washington.

The steam heat system was installed by the Schott Engineering Co., and was constructed in the fall of 1909. It consisted of two Wickes vertical water tube boilers of four hundred horsepower each with a steel stack, feed water heaters, feed pumps and air compressor. It was

located in a boiler house belonging to the Yakima Artificial Ice & Cold Storage Company, which operated the steam plant for the heating company.

On July 10, 1928, the property of Yakima Central Heating Company was sold to Inland Power & Light Company as of January 1, 1928.

RIDGEFIELD LIGHT & POWER COMPANY

The territory served by Ridgefield Light & Power Company at the date of acquisition by Inland Power & Light Company comprised most of the central and northern portions of Clark County, Washington. This area is quite well settled and is largely devoted to the raising of fruit and garden crops.

First Electric Service in Ridgefield, Washington

The first electric plant in the Town of Ridgefield was installed in 1915, by the Bratlie-McClelland Mill Co. which had been incorporated July 3, 1913, by J. L. Bratlie and W. McClelland, under the laws of the State of Washington, with a capital stock of $3,000. The company was organized to construct and operate a lumber and shingle mill. On April 20, 1915, the capital stock was raised to $15,000 to include the electric plant and business. A fifty year franchise dated December 1, 1914, was granted by the Town of Ridgefield to the Bratlie-McClelland Mill Co. Rates specified in the franchise were as follows:

First 50 kwh per month	$0.12 per kwh
Next 50 kwh per month	0.10 per kwh
Next 100 kwh per month	0.08 per kwh
Next 100 kwh per month	0.07 per kwh

Minimum Charge per month $1.00

Formation of Ridgefield Light & Power Company

On April 7, 1921, Ridgefield Light & Power Company was incorporated under the laws of the State of Washington, by N. C. Hall, J. W. Blackburn, W. E. Lentz, W. S. Miller and Geo. E. Hursh, with an authorized capital stock of $17,000. In November, 1921, the capitalization was increased to $25,000. It acquired the distribution system in Ridgefield on February 7, 1922, for $5,240, and constructed a transmission line from the city limits of Vancouver, Washington, to Ridgefield. Power was purchased wholesale from Northwestern Electric Company. Ridgefield Light & Power Company did not own or operate any generating equipment.

Formation of Clarke County Water, Light and Power Company

Clarke County Water, Light and Power Company was incorporated February 10, 1923, by C. W. Riddell and R. S. Durkee, under the laws of the State of Washington, with an authorized capitalization of $50,000. It constructed a 6600 volt transmission line approximately 27 miles in length from the city limits of Vancouver to the community of Battleground, Washington. It purchased power wholesale from the Portland Railway, Light & Power Company and maintained 24-hour service. It had 306 metered customers and 44 flat rate customers. On October 29, 1927, the property was sold to Ridgefield Light & Power Company.

First Electric Service in Yacolt, Washington

A franchise was granted to J. M. McIntire and Edward McIntosh by the Town of Yacolt in 1908. This franchise specified metered residence rates as follows:

First 10 kwh per month	$0.15 per kwh
Next 10 kwh per month	0.14 per kwh
Next 20 kwh per month	0.13 per kwh
Next 20 kwh per month	0.12 per kwh
Next 40 kwh per month	0.11 per kwh
Next 100 kwh per month	0.10 per kwh
Next 200 kwh per month	0.09 per kwh

A steam plant was constructed and put into service in 1909. This consisted of a 50 horsepower boiler and steam engine and a 30 kw generator. No information is available concerning the transfer of the property but in 1913, the property was reported to the regulatory commission in the annual report of Yacolt Light and Power Co.

Northern Clarke County Light and Power Co. was incorporated under the laws of the State of Washington, on August 29, 1912, (incorporators unknown) as the Yacolt Light and Power Co. with a capitalization of $15,000. It acquired the steam plant and distribution system then existing in Yacolt and put in a hydro generating plant consisting of a 75 kw generator and a 110 horsepower water wheel.

This company sold the electric system to the City of Yacolt on June 8, 1926. The amount paid by the city is not known. The steam generating equipment had apparently been retired by the time the city obtained the plant. Under the management of the City of Yacolt the rates were:

First 25 kwh per month	$0.13 per kwh
Next 10 kwh per month	0.10 per kwh
Next 10 kwh per month	0.09 per kwh
Over 45 kwh per month	0.07 per kwh

During the summer of 1929, the power plant at Yacolt burned down and the distribution system was sold to Ridgefield Light & Power Company in September of that year. The bill of sale was not recorded and is not now available, so the exact date is not known. The purchase is recorded on the books of the Ridgefield Company in an amount of $3,230.90.

During all the time from the first purchase and construction of a transmission line the system had been enlarged and expanded to such an extent that the company had distribution lines over a great portion of central and northern Clark County. On June 16, 1930, the system of Ridgefield Light & Power Company was sold to Inland Power & Light Company. The acquisition was recorded on the books of the latter company by an amount of $618,717.27. This property was leased to Northwestern Electric Company for operation and the lease arrangement was continued by the Pacific Company after it acquired the property on July 18, 1930.

SUMMARY OF ASSETS ACQUIRED FROM INLAND POWER & LIGHT COMPANY

The facilities obtained by the Pacific Company in its acquisition of the electric properties of the Inland Power & Light Company as described in the foregoing paragraphs of this chapter consisted as of July 31, 1930, generally of the following:

Properties Now Operated by Pacific Power & Light Company:

Generating capacity (kw)	2,410
Power purchase contracts (kw)	2,300
Miles of pole line	275.5
Number of customers	6,550
Communities served	27
Gross earnings—Year ending July 31, 1930	$471,687
Steam heat system	1
Ice plant	1

Properties Leased to Northwestern Electric Company:

Miles of pole line	600.8
Communities served	17

In addition to the foregoing physical property, these systems were each going concerns with experienced personnel familiar with the peculiar operating conditions of each of the several systems and acquainted with the needs of the customers. To a great extent the same personnel has continued to operate the system and has been of great benefit to the company in maintaining an efficient and smooth running organization.

Acquisition of Connell Power & Light Company

The last acquisition made by the Pacific Power & Light Company prior to December 31, 1936, was the property of the Connell Power & Light Company, which supplied service to the Town of Connell. This company was owned by Mr. H. F. Hessel, who first installed an electric generating plant in 1926 to supply light and refrigeration in connection with a mercantile business which he operated. The company was never incorporated. The first plant was a direct current installation used by Mr. Hessel and made available to neighboring establishments. This generating installation was not satisfactory for community service, and it was replaced in a short time by an alternating current generating plant.

The rates charged for residence lighting service were:

First 50 kwh per month	20c per kwh
Next 50 kwh per month	15c per kwh
Over 100 kwh per month	8c per kwh

Minimum charge $2.50 per month.

DECEMBER 1936

In the fall of 1935 the power plant was destroyed by fire, and the town was without electric service. On October 18, 1935, the distribution system was sold to Pacific Power & Light Company for $6,000. Subsequently the street lighting system was acquired from the Town of Connell for $150.

The customers in Connell have been greatly benefited through this acquisition, as they have received a greatly improved and continuous service at much lower rates. The bill for 25 kilowatt hours has been reduced from $5.00, as charged by the predecessor company, to $1.60, as charged by the Pacific Company as of March 1, 1939.

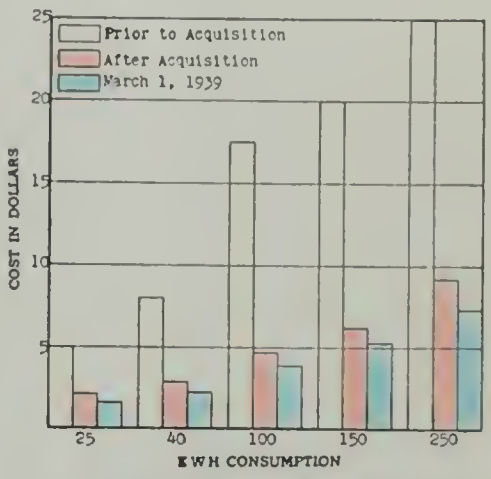


CHART 49—Cost of Residence Service — Connell, Washington

PACIFIC POWER & LIGHT COMPANY

STATEMENT B

STATEMENT OF ACQUISITIONS OF

ELECTRIC OPERATING UNITS OR SYSTEMS

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

STATEMENT OF ACQUISITIONS OF ELECTRIC OPERATING UNITS OR SYSTEMS

ACQUISITIONS BY PACIFIC POWER & LIGHT COMPANY

July 1, 1910 — December 31, 1936

	Amount Recorded in the Books of Acquiring Company
Acquired at Organization — Property of Astoria Electric Company, Columbia Power & Light Company, and Yakima-Pasco Power Company	$10,900,000.00
Husum Power Company	47,681.45
The Prosser Power Company and Prosser Water Company	130,830.44
The Klickitat Light & Power Company	45,583.90
Hood River Light & Power Company	286,894.49
Tucannon Power Company	91,364.90
Dayton Electric Company	104,656.54
Waitsburg Electric Light Company	45,344.70
Reservation Electric Company	39,689.96
Corbett Bros.	2,000.00
Vancouver Gas Comapny	139,926.04
Hydro Electric Company	184,009.13
Seaside Light and Power Company	86,683.76
Gearhart Park Company	1,327.60
Attalia Dairy Products Company	2,127.35
Burbank Company	2,500.00
Cannon Beach Electric Company	18,715.31
Hood Light Company	6,565.30
Properties Acquired from Inland Power & Light Company, the Public Service Building and Common Stock of Inland Power & Light Company	8,156,972.43
Connell Power & Light Company	6,150.00

ACQUISITIONS BY PREDECESSOR COMPANIES

Acquisition by Columbia Power & Light Company

	Amount Recorded in the Books of Selling Company
Wasco Warehouse Milling Company	$ 270,000.00

	Amount Recorded in the Books of Acquiring Company
Acquisitions by Inland Power & Light Company	
Properties of Sherman Electric Company, Deschutes Power & Light Company, Enterprise Electric Co., Grangeville Electric Light & Power Company, Ltd., Deschutes Ice Company and Yakima Central Heating Company	$ 3,723,366.77
Ridgefield Light & Power Company	618,717.27
Fossil Milling Company	5,146.01
Black Rock Power & Irrigation Company	33,314.14
Puget Sound Power & Light Company (Rainier property)	185,901.75
Puget Sound Power & Light Company (Kalama property)	172,648.82
Acquisitions by Sherman Electric Company	
Atwood-Lee Company	$ 4,500.00
City of Moro	2,500.00
City of Grass Valley	2,500.00
Condon Electric Company	35,589.88
Heppner Light and Water Company	28,598.44
City of Arlington	7,069.40
City of Ione	3,526.71
Acquisition by Deschutes Power & Light Company	
Des Chutes Power Company	$ 490,411.54
Acquisitions by Ridgefield Light & Power Company	
Bratlie-McClelland Mill Co.	$ 5,240.00
Clarke County Water, Light & Power Company	35,850.00
Town of Yacolt	3,230.90

* * *

The list of acquisitions made directly by Pacific Power & Light Company is complete. The lists of acquisitions by predecessor companies includes those acquisitions which are identifiable from such records of the predecessor companies as are available. All amounts shown are costs to the acquiring utilities as recorded on their books, except that for the Wasco Warehouse Milling Company, which is the amount shown on the books of the selling utility.

Most of the acquisitions shown in the above tabulations include some non-electric property, the purchase cost of which was never segregated and is not known. The determination of original cost has been made as to the company's property which existed on December 31, 1936. Much of the property acquired has been rebuilt, expanded or changed to such an extent that it is not now possible to fully identify whatever portion of the acquired property was still in existence as of December 31, 1936, by individual acquisitions. Therefore, it has not been possible to show the original cost of the separate acquisitions.

The original cost of such acquired property as was in existence as of December 31, 1936, is included with other property in subsequent statements. The original cost of the items of

property, including those remaining from acquisition, was obtained by applying to an inventory made as of December 31, 1936, actual original costs determined in so far as possible from available construction records. Where actual original costs were not determinable from records, estimates of original costs have been made on appropriate bases.

The amounts included in subsequent statements for Account 100.5 Electric Plant Acquisition Adjustments are as follows:

(1) Increase in structural value of property in existence December 31, 1936, from the date of construction to the date of acquisition by Pacific Power & Light Company	$ 260,400.00
(2) Going Value acquired from predecessor companies and paid for by Pacific Power & Light Company	$1,000,000.00
Total Account 100.5 Electric Plant Acquisition Adjustments	$1,260,400.00

PACIFIC POWER & LIGHT COMPANY

AMOUNTS ARRIVED AT BY APPRAISALS RECORDED PRIOR TO JANUARY 1, 1937, IN THE ELECTRIC PLANT ACCOUNTS IN LIEU OF COST TO THE COMPANY

NONE

PACIFIC POWER & LIGHT COMPANY

STATEMENT D

PLANT ACCOUNTS AS OF DECEMBER 31, 1936

AS CLASSIFIED IN THE BOOKS OF ACCOUNT

IMMEDIATELY PRIOR TO RECLASSIFICATION

IN ACCORDANCE WITH THE NEW SYSTEM OF ACCOUNTS

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

PLANT ACCOUNTS AS OF DECEMBER 31, 1936
AS CLASSIFIED IN THE BOOKS OF ACCOUNT
IMMEDIATELY PRIOR TO RECLASSIFICATION
IN ACCORDANCE WITH THE NEW SYSTEM OF ACCOUNTS

Account No.	Account	Amount
E 301	Organization	$ 36,007.72
E 2	Franchises	8,686.19
E 202	Franchises (Electric)	3,500.54
E 302	Franchises	1,194.51
E 206a	Water Rights	3,076.27
E 303	Miscellaneous Intangible Capital	136.87
E 6	Steam Power Plant Land	9.00
E 206b	Land Occupied by Generating Stations — Steam	19,879.50
E 311a	Steam Power Plant Land	1,370.44
E 5	Hydraulic Power Plant Land	62,836.89*
E 206b	Land Occupied by Generating Stations — Hydro	60,103.65
E 311b	Hydraulic Power Plant Land	19,825.20
E 7a	Transmission System Land	98.90
E 7b	Transmission System Right-of-way	39,804.46
E 206c	Land Devoted to Transmission and Transformation Operations	8,328.30
E 311d	Transmission System Land	361,333.75
E 7a	Distribution System Land	82.01
E 7b	Distribution System Right-of-way	6,976.76
E 206d	Land Devoted to Distribution Operations	3,900.36
E 311e	Distribution System Land	61,855.76
E 8	Substation, Transformer Station and Switching Station Land	29,479.83
E 12	General Office Land	2,142.31
E 311f	General Office Land	18,593.72
E 10	Stores Department Land	536.41*
E 311g-1	Stores Department Land	894.21
E 311g-4	Communication System Land	690.90

(*) Indicates credit.

Account No.	Account	Amount
E 311g-5	Miscellaneous Land	3,056.09
E 15	Steam Power Plant Buildings, Fixtures and Grounds	14,964.42*
E 208	Steam Power Plant Buildings	160,414.02
E 312a	Steam Power Plant Structures	36,052.56
E 14	Hydraulic Power Plant Buildings, Fixtures and Grounds	18,223.81
E 208	Hydraulic Power Plant Buildings	21,316.67
E 312b	Hydro-electric Power Plant Structures	190,209.03
E 16	Transmission, Transformation and Switching Buildings, Fixtures and Grounds	87,941.87
E 312d	Transmission System Structures	53,723.43
E 219c	Substation Buildings and General Structures	419.33
E 312e	Distribution System Structures	44,544.49
E 20	General Office Buildings, Fixtures and Grounds	13,347.98
E 312f	General Office Structures	164,351.29
E 18	Stores Department Buildings, Fixtures and Grounds	1,840.03
E 312g-1	Stores Department Structures	37,067.93
E 312g-3	Transportation Department Structures	2,826.95
E 19	Utility Equipment Buildings, Fixtures and Grounds	714.46
E 231	General Structures	8,665.15
E 312g-5	Miscellaneous Structures	1,616.80
E 24	Boiler Plant Equipment	92,023.73*
E 210	Boiler Plant Equipment	237,281.43
E 313	Boiler Plant Equipment	158,179.53
E 25a	Steam Engines and Turbines	95,597.80*
E 25b	Steam Generating Plant Equipment — Steam Drivers	2,193.75*
E 211	Steam Engines	48,005.08*
E 212	Electric Generators — Steam	49,736.83
E 314	Prime Movers and Auxiliaries — Steam	1,339.68*
E 315	Turbo Generator Units — Steam	150,661.47
E 25b	Accessory Electric Power Equipment — Steam Plant	203.08*
E 213	Accessory Electric Power Equipment — Steam	56,620.49
E 316	Electric Plant — Steam	6,559.84
E 317	Miscellaneous Power Plant Equipment — Steam	4,843.02
E 22	Hydraulic Power Works	326,662.54
E 207	Dams, Water Conduits and Penstocks	81,640.78
E 318a	Reservoirs, Dams and Intakes	222,522.49
E 318c	Waterways	983,282.77
E 318d	Forebays, Penstocks and Tailraces	56,583.81
E 319	Roads, Trails and Bridges	2,456.00
E 23	Turbines and Water Wheels	95,846.06
E 23	Hydraulic Power Plant Equipment	3,437.58*
E 23	Electric Generators — Hydraulic Drivers	12,272.43*
E 209	Turbines and Water Wheels	5,305.52
E 212	Electric Generators — Hydro	17,719.65

(*) Indicates credit.

Account No	Account	Amount
E 320	Water Turbines and Water Wheels	94,987.42
E 321	Turbo Generator Units — Hydro	1,879.35
E 322	Electric Plant — Hydro	133,453.24
E 213	Accessory Electric Power Equipment — Hydro	19,925.02
E 214	Miscellaneous Production Equipment	2,456.36*
E 323	Miscellaneous Power Plant Equipment — Hydro	2,125.94
E 28	Substation, Transformer Station and Switching Station Equipment	242,663.57
E 220c	Substation Equipment — Distribution	28,593.00*
E 328a	Transmission Substation Equipment	373,689.52
E 328b	Distribution Substation Equipment	1,072,065.06
E 329	Storage Battery Equipment	10,599.77
E 218c	Underground Conduits — Distribution	588.64
E 330	Underground Conduits	8,220.52
E 26	Transmission System Equipment — Overhead	665,093.27
E 216a	Poles and Fixtures — Transmission	25,844.17
E 331a	Transmission Poles, Towers and Fixtures	741,933.30
E 30	Distribution System Equipment — Overhead	389,454.80
E 216c	Poles and Fixtures — Distribution	78,434.04
E 331b	Distribution Poles, Towers and Fixtures	1,656,983.27
E 217a	Overhead System — Transmission	9,187.04*
E 332a	Transmission Overhead Conductors	995,044.16
E 217c	Overhead System — Distribution	44,038.79
E 332b	Distribution Overhead Conductors	1,100,603.21
E 31	Distribution System Equipment — Underground	2,050.19*
E 333b	Distribution Underground Conductors	16,987.34
E 221c	Miscellaneous Equipment — Distribution	2,987.84
E 224	Electric Services	25,482.73
E 335	Services	366,097.29
E 32	Line Transformers	125,438.30
E 223	Line Transformers and Devices	70,992.59
E 336	Line Transformers and Devices	1,192,279.72
E 337	Line Transformer Installation	138,863.60
E 33	Meters	127,269.44
E 225	Electric Meters	38,816.44
E 338	Consumers Meters	519,671.35
E 338a	Peak Load Limiters	24,226.07
E 338b	Time Switches	4,721.20
E 339	Meter Installation	44,448.26
E 339a	Load Limiter Installation	3,481.36
E 339b	Time Switch Installation	198.03
E 35	Municipal Lamps and Lamp Equipment	20,143.34
E 226	Municipal Street Lighting System	1,793.36
E 227	Commercial Lamps and Lamp Equipment	72.94

(*) Indicates credit.

Account No.	Account	Amount
E 342	Street Lighting Equipment	69,275.84
E 40	Furniture and Office Appliances	2,577.95*
E 232a	General Office Equipment	5,280.06
E 344a	Office Equipment	167,259.25
E 37	Stores Department Equipment	117.69
E 344b	Stores Equipment	2,802.85
E 232b	General Shop Equipment	2,218.55
E 344c	Shop Equipment	4,957.69
E 38	Utility Equipment	4,155.31*
E 344d	Transportation Equipment	175,808.41
E 36a	Telephone Lines and Equipment	12,427.77
E 36b	Instruments and Switchboards	397.65
E 232e	Telephone Lines	5,325.30
E 344e	Telephone, Telegraph and Wireless System	136,770.79
E 344f	Laboratory Equipment	24,865.06
E 39	Miscellaneous Equipment	11,084.15
E 232g	Miscellaneous Equipment	1,997.76
E 344g	Miscellaneous Equipment	21,572.48
E 41	Engineering and Superintendence	162,731.27
E 235a	Engineering and Superintendence	91,558.00
E 42	Law Expenses	2,250.17
E 43	Injuries and Damages	2,394.06
E 45	Interest	47,603.81
E 236	Interest during Construction	104,741.50
E 47	Miscellaneous Expenditures	654.81
E 235e	Miscellaneous Construction Expenditures	22.86*
W 302	Franchises	534.83
W 9	Right-of-way — Distribution System	536.05
W 15	Pumping Station Buildings, Fixtures and Grounds	542.35
W 312b	Pumping Station Buildings and Fixtures	785.57
W 312d	Reservoirs and Standpipes	1,207.74
W 312g	Miscellaneous Structures	388.80*
W 313	Boiler Plant Equipment	378.70
W 27	Electric Power Pumping Plant Equipment	402.20
W 315	Electric Power Pumping Equipment	1,367.66
W 31	Purification Equipment	680.43
W 319	Purification System	1,159.00
W 34	Distribution Mains	3,366.42
W 321	Distribution Mains or Canals	16,088.65
W 317c	Hydraulic Pumps and Pump Equipment	1,549.32
W 318	Miscellaneous Pumping Equipment	33.43
W 35	Water Services	2,971.63
W 322	Services	3,674.49
W 37	Meters	1,031.81

(*) Indicates credit.

Account No.	Account	Amount
W 323	Consumers' Meters and Measuring Devices	5,810.74
W 324	Consumers' Meter and Measuring Device Installation	828.26
W 36	Hydrants	331.60
W 325	Hydrants	987.84
W 41	Utility Equipment	23.00
W 327f	General Laboratory Equipment	58.44
W 42	Miscellaneous Equipment	50.79
W 327g	Miscellaneous Equipment	75.98
W 44	Engineering and Superintendence	735.59
W 48	Interest during Construction	75.24
H 239a	Street Mains	1,732.05
H 240	Meters	339.69
H 241	Services	604.27
H 242-3	Shop Equipment	125.20
H 242-5	Laboratory Equipment	88.45
	Undistributed	5,823.17
	Cost of Plant Purchased	18,768,552.52
	Total of all Plant Accounts	$33,865,609.21

(*) Indicates credit.

PACIFIC POWER & LIGHT COMPANY

STATEMENT E

SUMMARY OF ADJUSTMENTS NECESSARY TO STATE

AS OF JANUARY 1, 1937

THE ACCOUNTS AS PRESCRIBED IN THE

FEDERAL POWER COMMISSION UNIFORM SYSTEM OF ACCOUNTS

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

SUMMARY OF ADJUSTMENTS NECESSARY TO STATE AS OF JANUARY 1, 1937 THE ACCOUNTS AS PRESCRIBED IN THE FEDERAL POWER COMMISSION UNIFORM SYSTEM OF ACCOUNTS

Account		Charge	Credit
100.	Electric Plant		
	100.1 Electric Plant in Service	$26,925,615.20	
	100.2 Electric Plant Leased to Others	2,091,654.83	
	100.3 Construction Work in Progress	87,906.65	
	100.4 Electric Plant Held for Future Use	2,275.00	
	100.5 Electric Plant Acquisition Adjustments	1,260,400.00	
	100.6 Electric Plant in Process of Reclassification		33,953,515.86
107.	Electric Plant Adjustments		2,835,787.67
108.	Other Utility Plant	249,618.92	
110.	Other Physical Property	2,272,540.00	
111.	Investments in Associared Companies	1,209,612.71	
140.	Unamortized Debt Discount and Expense	2,024,993.99	
151.	Capital Stock Expense	35,160.34	
250.	Retirement Reserve	629,525.89	
		$36,789,303.53	$36,789,303.53

PACIFIC POWER & LIGHT COMPANY

STATEMENT F

ACCOUNT 100. — ELECTRIC PLANT AS OF JANUARY 1, 1937

AND ACCOUNT 107. — ELECTRIC PLANT ADJUSTMENTS

CLASSIFIED IN ACCORDANCE WITH THE UNIFORM SYSTEM

OF ACCOUNTS EFFECTIVE JANUARY 1, 1937

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

ACCOUNT 100. — ELECTRIC PLANT AS OF JANUARY 1, 1937 AND ACCOUNT 107. — ELECTRIC PLANT ADJUSTMENTS CLASSIFIED IN ACCORDANCE WITH THE UNIFORM SYSTEM OF ACCOUNTS EFFECTIVE JANUARY 1, 1937

100. ELECTRIC PLANT

100.1. Electric Plant in Service

I. Intangible Plant

301	Organization	$ 849.38	
302	Franchises and Consents	18,787.90	
303	Miscellaneous Intangible Plant	4,559,635.22	$ 4,579,272.50

II. Production Plant

(A) Steam Production

310	Land and Land Rights	$ 23,877.45	
311	Structures and Improvements	390,346.37	
312	Boiler Plant Equipment	427,432.17	
314	Turbo-Generator Units	325,309.44	
315	Accessory Electric Equipment	41,380.50	
316	Miscellaneous Power Plant Equipment	3,149.14	

(B) Hydraulic Production

320	Land and Land Rights	278,765.34	
321	Structures and Improvements	462,868.96	
322	Reservoirs, Dams and Waterways	2,970,203.49	
323	Water Wheels, Turbines and Generators	556,480.86	
324	Accessory Electric Equipment	94,077.17	
325	Miscellaneous Power Plant Equipment	44,458.42	
326	Roads, Railroads and Bridges	5,083.01	$ 5,623,432.32

III. Transmission Plant

340	Land and Land Rights	$ 275,974.74	
341	Clearing Land and Rights of Way	107,884.47	

342	Structures and Improvements	141,448.07	
343	Station Equipment	1,108,085.34	
344	Towers and Fixtures	134,093.61	
345	Poles and Fixtures	1,010,149.91	
346	Overhead Conductors and Devices	1,737,645.33	$ 4,515,281.47
IV.	Distribution Plant		
350	Land and Land Rights	$ 156,029.52	
351	Structures and Improvements	152,195.49	
352	Station Equipment	1,461,234.40	
354	Poles, Towers and Fixtures	2,982,428.42	
355	Overhead Conductors and Devices	2,183,467.38	
356	Underground Conduit	10,993.37	
357	Underground Conductors and Devices	25,413.29	
358	Line Transformers	2,104,865.18	
359-1	Overhead Services	476,160.68	
360	Meters	1,203,414.62	
363	Street Lighting and Signal Systems	333,940.92	$11,090,143.27
V.	General Plant		
370	Land and Land Rights		
	370-1 Office	$ 38,280.28	
	370-3 Stores	19,948.92	
	370-7 Miscellaneous	1,602.79	
371	Structures and Improvements		
	371-1 Office	169,068.48	
	371-2 Transportation	7,233.68	
	371-3 Stores	60,470.96	
	371-4 Shops	3,633.71	
	371-7 Miscellaneous	4,778.62	
372	Office Furniture and Equipment	237,733.93	
373	Transportation Equipment	204,388.21	
374	Stores Equipment	8,938.30	
375	Shop Equipment	41,827.17	
376	Laboratory Equipment	54,000.20	
377	Tools and Work Equipment	21,414.83	
378	Communication Equipment	241,538.64	
379	Miscellaneous Equipment	2,626.92	$ 1,117,485.64
	Total Account 100.1		$26,925,615.20
100.2.	Electric Plant Leased to Others		
I.	Intangible Plant		
302	Franchise and Consents	$ 1,500.00	$ 1,500.00

III. Transmission Plant			
340 Land and Land Rights	$ 125,409.48		
341 Clearing Land and Rights of Way	71,038.95		
342 Structures and Improvements	21,661.98		
343 Station Equipment	100,388.99		
345 Poles and Fixtures	81,675.15		
346 Overhead Conductors and Devices	171,375.36	$	571,549.91
IV. Distribution Plant			
350 Land and Land Rights	$ 25,284.55		
352 Station Equipment	76,696.02		
354 Poles, Towers and Fixtures	548,884.97		
355 Overhead Conductors and Devices	425,153.04		
357 Underground Conductors and Devices	17,335.62		
358 Line Trnasformers	216,827.87		
359-1 Overhead Services	60,570.99		
360 Meters	98,182.43		
363 Street Lighting and Signal Systems	19,102.13	$	1,488,037.62
V. General Plant			
370 Land and Land Rights			
370-3 Stores	$ 1,482.37		
370-6 Communication	7,266.94		
371 Structures and Improvements			
371-3 Stores	3,347.59		
378 Communication Equipment	18,470.40	$	30,567.30
Total Account 100.2		$	2,091,654.83
100.4. Electric Plant Held for Future Use			
III. Transmission Plant			
340 Land and Land Rights	$ 2,275.00	$	2,275.00
Total Account 100.4.		$	2,275.00
100.5 Electric Plant Acquisition Adjustments		$	1,260,400.00
Total Account 100.5		$	1,260.400.00
107. ELECTRIC PLANT ADJUSTMENTS		$	2,835,787.67*

*Indicates Credit.

Certain of the amounts in Account 100.1 and Account 100.2 of the foregoing statement include overheads which are proper components of original cost but which were not recorded in the plant accounts as per books of the company. The amounts so included in each of the accounts are as follows:

100.1. Electric Plant in Service

II. Production Plant

(A) Steam Production

311	Structures and Improvements	$ 45,268.07		
312	Boiler Plant Equipment	49,568.86		
314	Turbo-Generator Units	37,725.80		
315	Accessory Electric Equipment	4,798.85		
316	Miscellaneous Power Plant Equipment	365.20		

(B) Hydraulic Production

321	Structures and Improvements	36,383.01		
322	Reservoirs, Dams and Waterways	296,096.43		
323	Water Wheels, Turbines and Generators	41,982.64		
324	Accessory Electric Equipment	8,867.26		
325	Miscellaneous Power Plant Equipment	650.75		
326	Roads, Railroads and Bridges	520.59	$	522,227.46

III. Transmission Plant

341	Clearing Land and Rights of Way	$ 12,511.25		
342	Structures and Improvements	15,090.68		
343	Station Equipment	125,785.20		
344	Towers and Fixtures	14,859.26		
345	Poles and Fixtures	112,625.04		
346	Overhead Conductors and Devices	193,254.45	$	474,125.88

IV. Distribution Plant

351	Structures and Improvements	$ 11,027.90		
352	Station Equipment	162,088.32		
354	Poles, Towers and Fixtures	498,539.75		
355	Overhead Conductors and Devices	366,083.81		
356	Underground Conduit	1,884.52		
357	Underground Conductors and Devices	4,356.44		
358	Line Transformers	360,824.43		
359-1	Overhead Services	81,625.35		
360	Meters	206,294.11		
363	Street Lighting and Signal Systems	54,960.25	$	1,747,684.88

V. General Plant

371	Structures and Improvements		
	371-1 Office	$ 374.32	
	371-2 Transportation	16.02	
	371-3 Stores	133.88	
	371-4 Shops	8.05	
	371-7 Miscellaneous	10.58	
372	Office Furniture and Equipment	526.35	
373	Transportation Equipment	452.52	
374	Stores Equipment	19.79	
375	Shop Equipment	92.61	
376	Laboratory Equipment	119.56	
377	Tools and Work Equipment	47.41	
378	Communication Equipment	463.20	
379	Miscellaneous Equipment	5.82	$ 2,270.11
	Total Account 100.1		$ 2,746,308.33

100.2. Electric Plant Leased to Others

III. Transmission Plant

341	Clearing Land and Rights of Way	$ 3,314.26	
342	Structures and Improvements	1,010.62	
343	Station Equipment	4,683.56	
345	Poles and Fixtures	3,810.48	
346	Overhead Conductors and Devices	7,995.36	$ 20,814.28

IV. Distribution Plant

352	Station Equipment	$ 2,981.94	
354	Poles, Towers and Fixtures	25,607.73	
355	Overhead Conductors and Devices	19,835.13	
357	Underground Conductors and Devices	808.78	
358	Line Transformers	10,115.91	
359-1	Overhead Services	2,825.87	
360	Meters	4,580.61	
363	Street Lighting and Signal Systems	891.19	$ 67,647.16

V. General Plant

371	Structures and Improvements		
	371-3 Stores	$ 156.18	
378	Communication Equipment	861.72	$ 1,017.90
	Total Account 100.2		$ 89,479.34

PACIFIC POWER & LIGHT COMPANY

STATEMENT G

COMPARATIVE BALANCE SHEET

AS OF JANUARY 1, 1937

BEFORE AND AFTER MAKING ADJUSTING ENTRIES

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY
COMPARATIVE BALANCE SHEET AS OF JANUARY 1, 1937
BEFORE AND AFTER MAKING ADJUSTING ENTRIES

Assets and Other Debits

	Before Adjustments	Adjustments	After Adjustments
UTILITY PLANT	$33,953,515.86	$33,953,515.86*	$
100 Electric plant			
100.1 Electric Plant in Service		26,925,615.20	26,925,615.20
100.2 Electric Plant Leased to Others		2,091,654.83	2,091,654.83
100.3 Construction Work in Progress		87,906.65	87,906.65
100.4 Electric Plant Held for Future Use		2,275.00	2,275.00
100.5 Electric Plant Acquisition Adjustments		1,260,400.00	1,260,400.00
107 Electric plant adjustments		2,835,787.67*	2,835,787.67*
108 Other utility plant		249,618.92	249,618.92
Total utility plant	33,953,515.86		27,781,682.93
INVESTMENT AND FUND ACCOUNTS			
110 Other physical property		2,272,540.00	2,272,540.00
111 Investments in associated companies	8,009,700.00	1,209,612.71	9,219,312.71
112 Other investments	38,800.63		38,800.63
Total investment and fund accounts	8,048,500.63		11,530,653.34
CURRENT AND ACCRUED ASSETS			
120 Cash	445,264.95		445,264.95
121 Special deposits	918.00		918.00
122 Working funds	13,505.00		13,505.00
124 Notes receivable	27,507.02		27,507.02
125 Accounts receivable	742,681.56		742,681.56
126 Receivables from associated companies	40,437.63		40,437.63
128 Interest and dividends receivable	1,648.76		1,648.76
131 Materials and supplies	266,595.69		266,595.69
132 Prepayments	26,803.65		26,803.65
Total current and accrued assets	1,565,362.26		1,565,362.26
DEFERRED DEBITS			
140 Unamortized debt discount and expense	151,127.10	2,024,993.99	2,176,121.09
145 Other work in progress	23,940.90		23,940.90
146 Other deferred debits	7,893.31		7,893.31
Total deferred debits	182,961.31		2,207,955.30
CAPITAL STOCK DISCOUNT AND EXPENSE			
151 Capital stock expense		35,160.34	35,160.34
CONSIGNMENTS (contra)	6,982.66		6,982.66
REACQUIRED SECURITIES			
152 Reacquired capital stock	167,600.00		167,600.00
Total assets and other debits	$43,924,922.72	$ 629,525.89*	$43,295,396.83

* Indicates credit.

Liabilities and Other Credits

	Before Adjustments	Adjustments	After Adjustments
CAPITAL STOCK			
200 Common capital stock	$ 7,000,000.00	$	$ 7,000,000.00
201 Preferred capital stock	6,868,500.00		6,868,500.00
Total capital stock	13,868,500.00		13,868,500.00
LONG-TERM DEBT			
210 Bonds	20,500,000.00		20,500,000.00
212 Advances from associated companies	3,194,500.00		3,194,500.00
Total long-term debt	23,694,500.00		23,694,500.00
CURRENT AND ACCRUED LIABILITIES			
222 Accounts payable	93,481.95		93,481.95
223 Payables to associated companies	29,584.04		29,584.04
226 Matured interest	485.00		485.00
227 Customers' deposits	261,521.87		261,521.87
228 Taxes accrued	567,325.71		567,325.71
229 Interest accrued	427,083.34		427,083.34
230 Other current and accrued liabilities	5,302.66		5,302.66
Total current and accrued liabilities	1,384,784.57		1,384,784.57
DEFERRED CREDITS			
242 Other deferred credits	17,168.80		17,168.80
RESERVES			
250 Reserve for property retirement	3,078,163.34	629,525.89*	2,448,637.45
254 Reserve for uncollectible accounts	94,303.95		94,303.95
255 Insurance reserve	4,000.00		4,000.00
256 Injuries and damages reserve	10,154.13		10,154.13
258 Other reserves	170,324.68		170,324.68
Total reserves	3,356,946.10		2,727,420.21
CONSIGNMENTS (contra)	6,982.66		6,982.66
CONTRIBUTIONS IN AID OF CONSTRUCTION			
265 Contributions in aid of construction	11,896.15		11,896.15
SURPLUS			
271 Earned surplus	1,584,144.44		1,584,144.44
Total liabilities and other credits	$43,924,922.72	$ 629,525.89*	$43,295,396.83

* Indicates debit.

PACIFIC POWER & LIGHT COMPANY

STATEMENT H

SUGGESTED PLAN FOR DISPOSITION OF AMOUNTS

AS OF JANUARY 1, 1937

INCLUDIBLE IN

ACCOUNT 100.5 ELECTRIC PLANT ACQUISITION ADJUSTMENTS

AND

ACCOUNT 107. ELECTRIC PLANT ADJUSTMENTS

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

SUGGESTED PLAN FOR DISPOSITION OF AMOUNTS AS OF JANUARY 1, 1937 INCLUDIBLE IN ACCOUNT 100.5 ELECTRIC PLANT ACQUISITION ADJUSTMENTS AND ACCOUNT 107. ELECTRIC PLANT ADJUSTMENTS

Account 100.5 Electric Plant Acquisition Adjustments

The increase in structural value from date of construction to the date of acquisition of the physical property obtained from predecessor companies and still in existence at Decmeber 31, 1936, amounted to $260.400. When the units of property to which this amount applies are retired, the company plans to retire the parts of Account 100.5 which pertain thereto.

There is no plan for disposing of the $1,000,000.00 which represents the cost to the company of going value acquired from predecessor companies.

Account 107. Electric Plant Adjustments

There is no plan for disposing of the credit balance of $2,835,787.67 shown in this account.

PACIFIC POWER & LIGHT COMPANY

STATEMENT I

STATISTICAL INFORMATION RELATIVE TO ELECTRIC PLANT

AS OF DECEMBER 31, 1936

PREPARED PURSUANT TO
FEDERAL POWER COMMISSION
ELECTRIC PLANT INSTRUCTION 2D—UNIFORM SYSTEM OF ACCOUNTS
AND
ORDER OF MAY 11, 1937

PACIFIC POWER & LIGHT COMPANY

STATISTICAL INFORMATION RELATIVE TO ELECTRIC PLANT
AS OF
December 31, 1936

PRODUCTION PLANT

Steam Production Plant

Astoria Steam Generating Station

Date of Original Construction	1921
1st Unit Nameplate Generating Capacity — Kw	3,000
Date of Addition	1925
2nd Unit Nameplate Generating Capacity — Kw	5,000
Present Nameplate Generating Capacity — Kw	8,000

Original Cost	
Account 310	$ 23,877.45
Account 311	390,346.37
Account 312	427,432.17
Account 314	325,309.44
Account 315	41,380.50
Account 316	3,149.14
Total	$ 1,211,495.07

Hydraulic Production Plant

Naches Generating Station

Date of Original Construction	1906
1st Unit Nameplate Generating Capacity — Kw	750
Date of Addition	1909
2nd Unit Nameplate Generating Capacity — Kw	3,000
Date of Addition	1913
3rd Unit Nameplate Generating Capacity — Kw	3,370
Present Nameplate Generating Capacity — Kw	7,120
Capacity of Reservoir — acre feet	None

Original Cost	
Account 320	$ 91,187.15

Account 321	72,610.41
Account 322	879,741.24
Account 323	119,366.26
Account 324	11,970.52
Account 325	12,917.00
Account 326	602.66
Total	$ 1,188,395.24

Naches Drop Plant

Date of Original Construction	1914
Original Unit Nameplate Generating Capacity — Kw	1,400
Present Nameplate Generating Capacity — Kw	1,400
Capacity of Reservoir — acre feet	None

Original Cost

Account 320	$ 3,795.40
Account 321	30,472.71
Account 322	59,622.67
Account 323	62,466.50
Account 324	2,209.12
Account 325	5,257.91
Total	$ 163,824.31

Walla Walla River Generating Station

Date of Original Construction	1904
1st Unit Nameplate Generating Capacity — Kw	500
Date of Addition	1909
2nd and 3rd Unit Nameplate Generating Capacities — Kw	1,000
Date of Addition	1911
4th Unit Nameplate Generating Capacity — Kw	937
Present Nameplate Generating Capacity — Kw	2,437
Capacity of Reservoir — acre feet	None

Original Cost

Account 320	$ 6,665.34
Account 321	64,034.20
Account 322	427,638.43
Account 323	49,345.58
Account 324	10,278.68
Account 325	7,455.51
Account 326	89.23
Total	$ 565,506.97

Tygh Valley Generating Station

Date of Original Construction	1902
1st and 2nd Unit Nameplate Generating Capacities — Kw	1,000

Date of Addition	1912
3rd Unit Nameplate Generating Capacity — Kw	1,250
Present Nameplate Rating — Kw	2,250
Capacity of Reservoir — acre feet	None

Original Cost

Account 320	$ 9,545.72
Account 321	47,052.24
Account 322	99,867.87
Account 323	70,813.33
Account 324	7,956.96
Account 325	5,145.57
Account 326	343.02
Total	$ 240,724.71

Powerdale Generating Station

Date of Original Construction	1923
Original Unit Nameplate Generating Capacity — Kw	6,000
Present Nameplate Generating Capacity — Kw	6,000
Capacity of Reservoir — acre feet	None

Original Cost

Account 320	$ 128,911.87
Account 321	186,220.51
Account 322	1,369,790.68
Account 323	160,606.26
Account 324	47,007.75
Account 325	10,756.18
Account 326	3,850.82
Total	$1,907,144.07

Joseph Generating Station

Date of Original Construction	1909
*Original Unit Nameplate Generating Capacity — Kw	225
Date of Addition	1929
Existing Nameplate Generating Capacity — Kw	1,000
Present Nameplate Generating Capacity — Kw	1,000
Capacity of Reservoir — acre feet	None

Original Cost

Account 320	$ 4,486.40
Account 321	24,232.33
Account 322	68,031.47
Account 323	36,024.55
Account 324	5,996.67

Account 325		1,831.92
Total	$	140,603.34

*Removed in 1928.

Wallowa Falls Generating Station

This project is the property of Inland Power & Light Company

Accounts included in this statement include the structures and lands not included within the project boundaries.

Original Cost		
Account 320	$	6,161.46
Account 321		12,684.93
Account 325		34.91
Total	$	18,881.30

Bend Generating Station

Date of Original Construction	1910
*Original Nameplate Generating Capacity — Kw	150
Date of Addition	1913
1st Unit Nameplate Generating Capacity — Kw	200
Date of Addition	1916
2nd Unit Nameplate Generating Capacity	350
Date of Addition	1917
3rd Unit Nameplate Generating Capacity — Kw	560
Present Nameplate Generating Capacity — Kw	1,110
Capacity of Reservoir — acre feet	None

Original Cost		
Account 320	$	28,012.00
Account 321		19,243.72
Account 322		57,886.37
Account 323		46,503.47
Account 324		8,165.33
Account 325		570.80
Account 326		197.28
Total	$	160,578.97

*Removed at time of first unit construction.

Cline Falls Generating Station

Date of Original Construction	1905
*Original Nameplate Generating Capacity — Kw	75
Date of Addition	1913
**Existing Unit Nameplate Generating Capacity — Kw	150
Present Nameplate Generating Capacity — Kw	150
Capacity of Reservoir — acre feet	None

Original Cost		
Account 321	$	6,317.91
Account 322		7,624.76
Account 323		11,354.91
Account 324		492.14
Account 325		488.62
Total	$	26,278.34

*Removed in 1913.

**Replaced in 1928 because of fire.

TRANSMISSION PLANT

Overhead Transmission Lines

Hanford-Taunton

Voltage		110,000
Length, in miles		15.35
Miles of Wood Pole H Frame Construction		15.35
Miles of Single Circuit 3-wire No. 1/0 Copper		14.83
Miles of Single Circuit 3-wire 1/2-inch Copperweld		0.52
Original Cost		
Account 340	$ 4,644.09	
Account 344	7,201.36	
Account 345	17,229.02	
Account 346	35,757.65	
Total	$ 64,832.12	

Union Gap-Condit

Voltage		66,000
Length, in miles		75.62
Miles of Wood Pole H Frame Construction		75.62
Miles of Single Circuit 3-wire 250 MCM Copper		75.62
Original Cost		
Account 340	$ 73,331.37	
Account 341	91,174.85	
Account 345	132,588.24	
Account 346	346,740.52	
Total	$ 643,834.98	

Naches-Yakima-Pasco
Yakima-Hanford-Pasco
Pasco-Walla Walla-Pomeroy
Pasco-Pendleton-Walla Walla (in Washington)
Pasco-Lind

Voltage	66,000
Length, in miles	413.84
Miles of Single Wood Pole Construction	412.09

Miles of Steel Tower Construction	1.75
Miles of Single Circuit 3-wire No. 3/0 Copper	19.54
Miles of Single Circuit 3-wire No. 2/0 Copper	33.90
Miles of Single Circuit 3-wire No. 1/0 Copper	265.34
Miles of Single Circuit 3-wire No. 1 Copper	44.88
Miles of Single Circuit 3-wire No. 4/0 Aluminum	36.70
Miles of Single Circuit 3-wire No. 2 Aluminum	11.46
Miles of Single Circuit 3-wire 1/2-inch Copperweld	0.16
Miles of Single Circuit 3-wire 1/2-inch Copperclad	0.51
Miles of Single Circuit 3-wire 5/16-inch Copperclad	1.35

Original Cost	
Account 340	$ 103,497.06
Account 341	969.29
Account 344	31,200.47
Account 345	571,265.82
Account 346	979,161.63
Total	$ 1,686,094.27

Pasco-Pendleton-Walla Walla (in Oregon)

Voltage	66,000
Length, in miles	75.77
Miles of Single Wood Pole Construction	75.29
Miles of Steel Tower Construction	0.48
Miles of Single Circuit 3-wire No. 1/0 Copper	75.29
Miles of Single Circuit 3-wire 1/2-inch Copperweld	0.48

Original Cost	
Account 340	$ 25,160.45
Account 341	98.68
Account 344	30,998.47
Account 345	126,982.75
Account 346	181,588.26
Total	$ 364,828.61

Walla Walla River-Freewater

Voltage	22,000
Length, in miles	8.50
Miles of Single Wood Pole Construction	8.50
Miles of Single Circuit 3-wire No. 1/0 Copper	8.50

Original Cost	
Account 340	$ 3,659.28
Account 345	18,367.42
Account 346	20,257.35
Total	$ 42,284.05

Tygh Valley-Condit (in Washington)

Voltage	66,000
Length, in miles	5.55
Miles of H-Frame and Single Wood Pole Construction	5.37
Miles of Steel Tower Construction	0.18
Miles of Single Circuit 3-wire No. 1/0 Copper	5.37
Miles of Single Circuit 3-wire 5/8-inch Steel	0.18

Original Cost	
Account 340	$ 3,439.78
Account 341	5,043.99
Account 344	50,920.21
Account 345	17,779.39
Account 346	26,289.84
Total	$ 103,473.21

Tygh Valley-Condit (in Oregon)

Voltage	66,000
Length, in miles	49.86
Miles of H-Frame and Single Wood Pole Construction	49.54
Miles of Steel Tower Construction	0.32
Miles of Single Circuit 3-wire No. 1/0 Copper	23.18
Miles of Single Circuit 3-wire 3 — No. 8 Copperclad	26.36
Miles of Single Circuit 3-wire 5/8-inch Steel	0.32

Original Cost	
Account 340	$ 25,346.77
Account 341	10,472.17
Account 344	13,773.10
Account 345	72,886.02
Account 346	90,547.99
Total	$ 213,026.05

Cove-Bend

Voltage	22,000
Length, in miles	38.99
Miles of Single Wood Pole Construction	38.99
Miles of Single Circuit 3-wire No. 1/0 Copper	34.11
Miles of Single Circuit 3-wire No. 6 Copper	4.88

Original Cost	
Account 340	$ 5,002.78
Account 341	125.49
Account 345	53,051.25
Account 346	57,302.09
Total	$ 115,481.61

Ariel-West Vancouver

Voltage	66,000
Length, in miles	26.46
Miles of Wood Pole H-Frame Construction	26.46
Miles of Single Circuit 3-wire 636,000 C.M. A.C.S.R.	26.46

Original Cost

Account 340	$ 85,475.48
Account 341	71,038.95
Account 342	1,830.53
Account 345	81,675.15
Account 346	171,375.36
Total	$ 411,395.47

NOTE: Ariel-West Vancouver Transmission Line is leased to and operated by Northwestern Electric Company. All other transmission lines are operated by Pacific Company.

Transmission Substations

Name of Substation	Function	Capacity KVA	High Voltage	Low Voltage
At Bend Generating Station	Step-up	900	22,000	2,300
At Naches Generating Station	Step-up	10,125	66,000	2,300
At Naches Drop Plant	Step-up	1,500	66,000	2,300
At Powerdale Generating Station	Step-up	7,500	66,000	6,900
At Tygh Valley Generating Station	Step-up	3,000	66,000	2,300
At Walla Walla River Generating Station	Step-up	2,250	22,000	2,300
Condit Switching Station	Interchange			
Freewater Substation	Step-up	2,500	66,000	22,000
Fruitvale Substation	Switching			
Hanford Substation	Step-down	19,000	110,000	66,000
Lind Substation	Interchange	9,000	110,000	66,000
Pasco Substation	Switching			
Taunton Switching Station	Interchange			
The Dalles Switching Station	Switching			
Union Gap Substation	Switching			
Walla Walla Substation	Switching			
Ariel Switchyard	Switching			
West Vancouver Switching Station	Switching			

NOTE: Ariel Switchyard and West Vancouver Switching Station are leased to and operated by Northwestern Electric Company. All other substations are included in Electric Plant in Service. Spare transformers which are installed at most of the stations are not included in the tabulated capacities.

Special Equipment

At Pasco Substation, 1 — 5,000 kva synchronous condenser.

At Union Gap Substation, 1 — 10,000 kva synchronous condenser.

DISTRIBUTION PLANT

Overhead System

	System Owned and Operated	System Owned and Leased	Total
Number of Pole Miles	2,371	657	3,028
Number of Wire Miles*	9,281	2,451	11,732
Number of Services Connected	58,673	7,384	66,057
Number of Wood Poles	75,643	21,087	96,730
Number of Steel Poles	184		184

* Statistics not available on circuit miles.

Underground System

No underground system. Some wires and overhead type transformers in Astoria are installed under elevated concrete streets.

Distribution Substations

Owned Property operated by the company.

Number of substations 72

Number of transformers located in the substations together with capacities and voltages:

Number of Transformers	Total KVA	High Voltage KV	Low Voltage KV
2	1,000	66	22
4	21,500	66	11
27	20,750	66	6.6
25	27,099	66	2.3
13	5,900	22	11
3	900	22	6.6
57	6,860	22	2.3
1	450	11	6.6
69	17,882	11	2.3
27	3,160	6.6	2.3
Total 228	105,501		

Property Leased to Northwestern Electric Company

Number of substations 6

Number of transformers located in the substations together with capacities and voltages:

Number of Transformers	Total KVA	High Voltage KV	Low Voltage KV
3	3,000	66	11
3	300	44	6.6
6	650	11	6.6
9	2,950	11	2.3
Total 21	6,900		

Line Transformers

	System Owned and Operated	System Owned and Leased	Total
Number of Transformers	11,234	2,115	13,349
Capacity of Transformers (kva)	112,930	11,357	124,287

Street Lighting and Signal Systems

	System Owned and Operated	System Owned and Leased	Total
Ornamental Steel Standards	42		42
Number of Lamps—Multiple	1,116	62	1,178
Number of Lamps—Series	2,651	274	2,925
Total Wattage of Lamps—Multiple	110,240	4,000	114,240
Total Lumens of Lamps—Series	5,231,100	325,000	5,556,100
Total Arc Lamps—4 amp.	226		226
Signal Systems			None

GENERAL PLANT

Office Buildings

Bend, Oregon	Single story brick structure 25 ft. by 100 ft.
Condon, Oregon	Single story frame structure 41 ft. by 34 ft.
Power Department	Single story frame structure 30 ft. by 40 ft.
Redmond, Oregon	Two story frame structure 25 ft. by 50 ft. with single story brick annex 25 ft. by 35 ft.
Seaside, Oregon	Single story frame structure 23 ft. by 86 ft.
Sunnyside, Washington	Single story brick structure 24 ft. by 83 ft.
Waitsburg, Washington	Single story brick structure 11 ft. by 100 ft.
Yakima, Washington	Two story concrete structure 50 ft. by 140 ft. faced with brick and with stone front.

Other Principal Structures

Bend, Oregon	Single story wood frame warehouse building 57 ft. by 78 ft.
Kennewick, Washington	Single story brick warehouse and garage building 41 ft. by 68 ft.
Kennewick, Washington	Single story brick machine shop and storage building 40 ft. by 50 ft.
Yakima, Washington	Two story brick warehouse building 50 ft. by 118 ft.

Transportation Equipment

Number of passenger and pick-up type automobiles	122
Number of trucks	39
Number of tractors	3
Number of trailers	38

Store, Shop and Laboratory Equipment

Store Equipment — Principal warehouse and storage facilities in Kennewick and Yakima with storage bins and equipment in central locations in each district.

Shop Equipment — Maintenance equipment at all generating plants and at Kennewick and Yakima. All construction and repair tools in each district.

Laboratory Equipment — Testing and maintenance equipment in Walla Walla and Kennewick and meter testing and radio interference testing equipment in each district.

Communication Equipment

Wired Telephone Equipment

Owned and Operated — On high voltage transmission pole lines.

Poles	71
Miles	774

Instruments and switch boards in all load centers and at various junction points with extensions to operator's cottages and offices.

Owned and Leased — On distribution poles with taps to stations

Poles	20
Miles	33

Carrier Current Telephone Equipment

Owned and Operated — 3 transmitting and 9 receiving sets.

Miscellaneous Equipment

Construction camp equipment, etc.

VERIFICATION

STATE OF OREGON)
COUNTY OF MULTNOMAH) ss.

WILL T. NEILL makes oath and says that he is Vice-President of Pacific Power & Light Company and that the foregoing statements entitled A to I, inclusive, were prepared under his supervision; that he has examined said statements and is familiar with the contents thereof; and that to the best of his knowledge and belief the information contained in said statements is true and correct and, subject to the limitations of records and data available to said company for the preparation of such statements, has been prepared in accordance with the provisions of the Uniform System of Accounts prescribed for Public Utilities and Licensees, and of the Order adopted by the Commission on May 11, 1937.

WILL T. NEILL

Subscribed and sworn to before me a Notary Public in and for the above named State and County, this 1st day of July, 1940.

R. L. STOUT,

Notary Public.

My commission expires

August 31, 1940.

FEDERAL POWER COMMISSION

WASHINGTON, D. C.

and

PUBLIC UTILITIES COMMISSIONER OF OREGON

SALEM, OREGON

PACIFIC POWER & LIGHT COMPANY

PORTLAND, OREGON

REPORT ON THE

RECLASSIFICATION AND ORIGINAL COST STUDIES OF ELECTRIC PLANT

As at January 1 1937

FEDERAL POWER COMMISSION

WASHINGTON, D C

AND

PUBLIC UTILITIES COMMISSIONER OF OREGON

SALEM, OREGON

PACIFIC POWER & LIGHT COMPANY

PORTLAND, OREGON

REPORT ON THE
RECLASSIFICATION AND ORIGINAL COST STUDIES OF ELECTRIC PLANT

AS AT JANUARY 1, 1937

FEDERAL POWER COMMISSION

J. J. O'Neil, *Chief Examiner of Accounts*
J. H. Flynn, *Chief Examiner of Accounts*
R. L. Bertolacci, *Engineer*
J. M. Goodpaster, *Examiner of Accounts*
Bob Vaught, *Junior Examiner of Accounts*
R. W. Zell, *Junior Examiner of Accounts*

PUBLIC UTILITIES COMMISSIONER
OF OREGON

J. W. Pentney, *Senior Accountant*
N. K. Raymond, *Accountant*
D. B. McClure, *Accountant*
W. J. Madigan, *Accountant*
K. M. Thomason *Accountant*
T. L. Clark, *Accountant*

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PACIFIC POWER & LIGHT COMPANY

SUBJECT OF REPORT

Pursuant to Electric Plant Instruction 2-D of the Uniform Systems of Accounts promulgated by the Federal Power Commission and the Public Utilities Commissioner of Oregon, and the Orders adopted by the respective Commissions on May 11, 1937 and September 26, 1938, Pacific Power & Light Company prepared and submitted studies relative to the reclassification of its electric plant accounts as at January 1, 1937.

This report covers an examination of these studies at Portland, Oregon, by members of the staffs of the Federal Power Commission and the Public Utilities Commissioner of Oregon. The Department of Public Service of the State of Washington assisted in the examination through consultation, but did not participate otherwise.

A summary of the plant accounts as reclassified by the company is shown below, together with the proposed adjustments of the Commission staffs, and the status after giving effect to such adjustments.

TITLE OF ACCOUNT	AS RECLASSIFIED BY COMPANY	PROPOSED ADJUSTMENTS	AFTER ADJUSTMENTS
100. Electric Plant			
100.1 Electric Plant in Service	$26,925,615.20	($ 7,459,467.66)	$19,466,147.54
100.2 Electric Plant Leased to Others	2,091,654.83	(147,850.81)	1,943,804.02
100.3 Construction Work in Progress	87,906.65	(77.70)	87,828.95
100.4 Electric Plant Held for Future Use	2,275.00	(2,275.00)	-
100.5 Electric Plant Acquisition Adjustments	1,260,400.00	(1,260,400.00)	-
100.6 Electric Plant in Process of Reclassification	-	492,571.76	492,571.76
Total Electric Plant	30,367,851.68	(8,377,499.41)	21,990,352.27
107. Electric Plant Adjustments	(2,835,787.67)	12,530,381.14	9,694,593.47
108. Other Utility Plant	249,618.92	(191,003.09)	58,615.83
Total Utility Plant	27,781,682.93	3,961,878.64	31,743,561.57
110. Other Physical Property	2,272,540.00	(62,585.71)	2,209,954.29
111. Investments in Associated Companies	1,209,612.71	(1,209,612.71)	-
140. Unamortized Debt Discount and Expense	2,024,993.99	(2,024,993.99)	-
151 Capital Stock Expense	35,160 34	(35,160 34)	-
250. Reserve for Depreciation	629,525.89	(629,525.89)	-
Grand Total	$33,953,515.86	$ -	$33,953,515 86

CORPORATE HISTORY AND GENERAL DESCRIPTION OF UTILITY

The Pacific Power & Light Company was incorporated under the laws of the State of Maine on June 16, 1910, with an authorized capital stock of 75,000 shares of $100. par value, of which 60,000 shares were designated as common and 15,000 shares as 7% cumulative preferred. The company commenced operations upon the acquisition of certain electric, street railway, gas and water utility systems on July 29, 1910.

As of December 31, 1936, the company's outstanding capital stock was stated at $13,700,900. consisting of the following:

PARTICULARS	NUMBER OF SHARES	AMOUNT
Issued:		
Common Stock - no par value	1,000,000) *	$ 7,500.000.
$6 Preferred Stock - no par value	5,000)	
$6 Preferred Stock - no par value	5,585	558,500.
7% Preferred Stock - $100 par value	58,100	5,810,000.
Total Issued		13,868,500.
Reacquired and held in treasury:		
7% Preferred Stock - $100. par value	1,676	167,600.
Net Outstanding		$13,700,900

* In 1937, the company assigned $500,000 as the value of the $6 no par value preferred stock and $7,000,000 as the value of the no par value common stock.

The company is engaged in the production, transmission and distribution of electric energy, with properties located in the southern part of Washington and northern and central parts of Oregon, serving twenty-one counties. The company also owns and operates water systems in Kennewick, Washington, and Prineville, Oregon, and a steam heating system in Yakima, Washington.

The company's electric production plant consists of one steam generating station with a rated capacity of 8,000 kw, and eight hydraulic generating stations having an aggregate rated capacity of 21,467 kw. In addition to generating facilities owned, the company operates under lease the Cove hydroelectric station of the Inland Power & Light Company, with an installed capacity of 1,100 kw.

The company has inter-connections with its affiliates, Washington Water Power Company, and Northwestern Electric Company. Except for three isolated sections of its property, the production and distribution systems are connected by a network of transmission lines.

The company's distribution system includes property located in fifty-eight incorporated cities and towns and various rural lines and services. In addition to the territory served directly, the Pacific Power & Light Company owns distribution systems in Clark, Cowlitz, and Skamania Counties, Washington, and in Columbia County, Oregon, which are leased to and operated by Northwestern Electric Company.

At December 31, 1936, the company had approximately 57,000 electric consumers and a gross annual electric operating revenue of $4,374,313. Sales of electric energy for the year 1936 amounted to 202,584,000 kilowatt hours.

As of December 31, 1936, the company had recorded in its plant account in connection with property acquisitions and subsequent construction of plant, less retirements, an amount of $33,953,515.86. The company disposed of all its non-electric utility properties, with the exception of two water and one steam heating system, prior to December 31, 1936.

MAP OF SYSTEM

A sketch map showing the location of the company's electric production and transmission system and areas of distribution is presented on the following page.


WASHINGTON
OREGON
PACIFIC OCEAN
SEATTLE
TACOMA
SPOKANE
NACHES
TIETON
NACHES PLANT
BELAN
YAKIMA
MOXEE CITY
WILEY CITY
DONALD
UNION GAP
WAPATO
TOPPENISH
GRANGER
ZILLAH
SUNNYSIDE
GRANDVIEW
OUTLOOK
MABTON
PROSSER
BENTON CITY
RICHLAND
PASCO
KENNEWICK
BYRON
WHITE SWAN
BEVERLY
VERNITA
MANFORD
TAUNTON
WHITE BLUFFS
RINGOLD
LIND
CONNELL
KAHLOTUS
SNAKE RIVER
POMEROY
TURNER
COVELLO
PATAHA
PRESCOTT
DAYTON
HUNTSVILLE
WAITSBURG
DIXIE
BURBANK
ATTALIA
WALLULA
TOUCHET
LOWDEN
WALLA WALLA
WASHINGTON
OREGON
FINLEY
HOVER
UMAPINE
FREEWATER
HERMISTON
KELLE
ADAMS
WESTON
ATHENA
WALLA WALLA RIVER PLANT
PENDLETON
RIETH
MISSION
PILOT ROCK
WALLOWA
LOSTINE
ENTERPRISE
JOSEPH
GRANDE RONDE
OREGON
IDAHO
WASHINGTON
IDAHO
FT. STEVENS
HAMMOND
WARRENTON
GEARHART
SEASIDE
CANNON BEACH
ASTORIA
DELENA
RAINIER
CLATSKANIE
ZALAMA
LEWIS RIVER
WOODLAND
RIDGEFIELD
YACOLT
CRAWFORD
BATTLE GROUND
BRUSH PRAIRIE
FELIDA
COLUMBIA RIVER
PORTLAND
COWLITZ RIVER
WILLAMETTE RIVER
HUSUM
WHITE SALMON
BINGEN
UNDERWOOD
HOOD RIVER
MOSIER
LYLE
WISHRAM
BLOCKHOUSE
GOLDENDALE
CENTERVILLE
DEE
ODELL
PAREDALE
THE DALLES
DUFUR
TYGH VALLEY
TYGH VALLEY PLANT
WASCO
DE MOSS
MORO
KERRINES
GRASS VALLEY
ARLINGTON
OLEX
IONE
LEXINGTON
HEPPNER
GWENDOLEN
CONDON
MAYVILLE
FOSSIL
JOHN DAY RIVER
MADRAS
METOLIUS
CULVER
TERREBONNE
CLINE FALLS PLANT
REDMOND
PRINEVILLE
BEND
DESCHUTES
TERRITORY SERVED BY
PACIFIC POWER & LIGHT COMPANY
LEGEND
TRANSMISSION LINES
UNDER CONSTRUCTION
HYDRO-ELECTRIC PLANTS
STEAM-ELECTRIC PLANTS
ELECTRICITY SERVED
ELECTRICITY SERVED WHOLESALE
FOREIGN CONNECTING LINES
WATER SERVED
STEAM HEAT SERVED
DEC. 1936

AFFILIATION WITH HOLDING COMPANY SYSTEM

Pacific Power & Light Company, from inception, has been owned and controlled by American Power & Light Company (Electric Bond & Share System) through ownership of all outstanding common stock

At December 31, 1936, Pacific Power & Light Company owned all of the common stock of Inland Power & Light Company.

ACQUISITIONS OF OPERATING UNITS OR SYSTEMS

The following is a tabulation of the company's recorded cost of property acquisitions prepared from information presented in Statement B submitted by the company pursuant to Electric Plant Instruction 2-D of the Uniform System of Accounts and pertinent Orders of Federal Power Commission and Public Utilities Commissioner of Oregon:

PARTICULARS	AMOUNT RECORDED IN THE BOOKS OF PACIFIC POWER & LIGHT COMPANY
Acquired at Organization – Property of Astoria Electric Company, Columbia Power & Light Company, and Yakima-Pasco Power Company	$10,900,000.00
Husum Power Company	47,681.45
The Prosser Power Company and Prosser Water Company	130,830.44
The Klickitat Light and Power Company	45,583,90
Hood River Light & Power Company	286,894.49
Tucannon Power Company	91,364.90
Dayton Electric Company	104,656.54
Waitsburg Electric Light Company	45,344.70
Reservation Electric Company	39,689.96
Corbett Bros.	2,000.00
Vancouver Gas Company	139,926.04
Hydro Electric Company	184,009.13
Seaside Light and Power Company	86,683 76
Gearhart Park Company	1,327.60
Attalia Dairy Products Company	2,127.35
Burbank Company	2,500.00
Cannon Beach Electric Company	18,715.31
Hood Light Company	6,565.30
Acquisition of certain Inland Power & Light Company properties, the Public Service Building at Portland, Oregon, and common stock of the Inland Power & Light Company	8,156,972.43
Connell Power & Light Company	6,150.00
Total	$20,299,023.30

The company maintained a segregation in its accounting as between amounts capitalized in connection with properties acquired and amounts recorded to reflect the cost of plant constructed. As indicated by Statement D of its reclassification study, the balance of recorded cost of plant acquired, less certain retirements and adjustments associated therewith, was reflected by an account entitled "Cost of Plant Purchased", at $18,768,552.52.

Each of the several acquisition transactions is discussed in the following pages.

PROPERTIES ACQUIRED AT ORGANIZATION

The properties acquired by Pacific Power & Light Company in July, 1910, and with which it commenced operations, consisted of four separate systems acquired from three different companies. The Yakima-Pasco system was acquired from Yakima-Pasco Power Company, the Walla Walla-Pendleton system and The Dalles system from Columbia Power & Light Company, and the Astoria system from Astoria Electric Company. The transaction was effected in accordance with an agreement with Mr. Weld M. Stevens, apparently a representative of American Power & Light Company, which controlled all the above named companies immediately prior to the transaction. In accordance with the agreement, Pacific Power & Light Company acquired the net assets of the companies as of July 1, 1910.

The Yakima-Pasco system, all in the State of Washington, extended from Naches, located a few miles northwest of Yakima, through the Yakima Valley to Pasco. A 22,000 volt transmission line extended from Naches to Kennewick. There were hydro generating plants at Naches and at Yakima, and steam generating plants at Naches and Kennewick, the combined installed capacity of all these plants being 6,600 kilowatts. In addition to the acquisition of the electric distribution systems at Yakima, Pasco, Kennewick, Sunnyside, Mabton, Benton City, Wapato and Naches, Pacific Company acquired water systems at Yakima, Pasco, and Kennewick, and a gas system at Yakima. Subsequently, all of the non-electric properties except the Kennewick water system were sold.

The Walla Walla-Pendleton system extended from Walla Walla, in southeast Washington, south and west through Freewater, Oregon to Pendleton, Oregon, with electric distribution in these three communities. A hydro generating plant on the Walla Walla River in Oregon and a steam generating station at Walla Walla, with a combined installed capacity of 3,250 kilowatts, furnished the power requirements of the system. A 22,000 volt transmission line extended from Walla Walla to Pendleton by way of the Walla Walla River generating station. The non-electric properties acquired with the electric properties consisted of gas systems in Walla Walla, Washington, Pendleton, Oregon and Lewiston, Idaho, all of which have since been sold.

The Dalles system consisted of a hydro generating station of 1,000 kilowatts capacity located on the White River near Tygh Valley, Oregon, together with a 22,000 volt transmission line from the generating station to The Dalles and distribution systems in The Dalles and Dufur.

The Astoria system consisted of a steam generating station of 1,025 kilowatt capacity and an electric distribution system in Astoria, Oregon. The company also acquired a gas system, which was subsequently sold, and a street railway system, which was abandoned about fifteen years after acquisition.

Pacific Power & Light Company was organized by American Power & Light Company to take over the properties of Astoria Electric Company, Columbia Power & Light Company, and Yakima-Pasco Power Company, all of which were owned by American Power & Light Company.

In April, 1910, American Power & Light Company organized the Columbia Power & Light Company to take over the properties of Northwestern Corporation. In March, 1910, American Power & Light Company organized Yakima-Pasco Power Company to take over the electric, gas,

and water properties in the Yakima Valley The stock of Astoria Electric Company had been acquired directly

According to a statement furnished by the company, the cash cost of the net assets of the underlying companies to American Power & Light Company amounted to $4,749,135 09. Through a medium of security issues, a combined plant account of $9,001,106 77 was established on the books of the three underlying companies and upon transfer to Pacific Power & Light Company, plant account was established at $10,900,000

The following is a summary of the recorded amounts of the assets and liabilities of the three companies immediately prior to conveyance

PARTICULARS	ASTORIA ELECTRIC COMPANY	COLUMBIA POWER & LIGHT COMPANY	YAKIMA-PASCO POWER COMPANY	COMBINED
Plant	$653,253.40	$4,017,179 53	$4,330,673 84	$9,001,106.77
Other Assets	21,261.68	139,395 63	143,575 30	304.232.61
Total Assets	$674.515.08	$4,156,575 16	$4,474,249 14	$9,305,339.38
Capital Stock	$300,000.00	$3,000,000.00	$3,000,000 00	$6.300.000 00
Funded Debt	150,000.00	607,000 00	800,000.00	1,557.000 00
Other Liabilities and Reserves	224,515.08	549,575.16	674,249 14	1,448,339 38
Total Liabilities	$674,515.08	$4,156,575.16	$4,474,249.14	$9,305,339.38

A summary of the recording of the plant and other net assets acquired by the Pacific Power & Light Company is presented below

ASSETS		AMOUNT
Plant		$10.900,000.00
Investment in Capital Stock of the Walla Walla Valley Railway Company - stated at par		499.500 00
Other Assets, Prepayments, etc.		290.502 75
Total Assets		11,690,002 75
LIABILITIES		
Capital Stock		
Preferred	$1,250,000.00	
Common	5.997,000.00	7 247,000 00
First and Refunding Mortgage Bonds		3,200,000.00
Underlying Bonds Assumed		967,000 00
Other Liabilities and Reserves		276.002 75
Total Liabilities		$11,690,002 75

The company recorded net working assets, except for some minor adjustments, at recorded cost to the three predecessor operating utility companies, and set up the amount of the par value of the capital stock of Walla Walla Valley Railway Company as the amount of its investment in that stock. It recorded a general reserve of $135,178.15. The amount capitalized as cost of plant represents the remaining excess of par value of stock and face value of bonds given in consideration for the net assets acquired.

The systems of the three companies operating the electric and other plant prior to acquisition by Pacific Power & Light Company were each developed in part through purchase of plant from others. An outline of previous owners of properties at one time or another comprising parts of the systems, arranged to indicate order by which title passed between the various owners, is presented below.

LIST OF PREDECESSOR OWNERS OF PROPERTIES ACQUIRED BY PACIFIC POWER & LIGHT COMPANY - JULY 29, 1910

NAME	INCORPORATED DATE	INCORPORATED STATE	DATE PROPERTY SOLD
Astoria Electric Company	March 12, 1901	Oregon	July 29, 1910
C. N. Huggins	Not Incorporated		March 29, 1902
West Shore Mills Company	July 3, 1889	Oregon	March 4, 1902
J. C. Trullinger	Not Incorporated		July 10, 1889
Astoria Gas Light Company	Sept. 19, 1882	Oregon	March 20, 1902
George C. Hollister	Not Incorporated		April 29, 1901
The Astoria Street Railway Company	Nov. 12, 1887	Oregon	July 11 1900
Columbia Power & Light Company	April 28, 1910	Washington	July 29, 1910
Northwestern Corporation	Feb. 7, 1907	Washington	May 11, 1910
Lewiston Gas Company	May 12, 1906	Washington	July 29, 1909
Northwestern Gas and Electric Company	Sept. 1, 1903	Washington	July 31, 1909
Isaac W. Anderson	Not Incorporated		Sept. 5, 1903
The Walla Walla Gas and Electric Company	Sept. 12, 1889	Washington	Sept. 1, 1903
Walla Walla Gas Company	Sept. 5, 1881	Washington	Dec. 7, 1889
Pendleton Electric Light & Power Company	July 28, 1888	Oregon	Sept. 5, 1903
Pendleton Electric Light Company	Not Incorporated		*
W. S. Byers obtained Franchise Feb. 17, 1887	Not Incorporated		*
N. G. Blalock	Not Incorporated		Oct. 7, 1904
The Washington and Oregon Power Company	Sept. 3, 1903	Washington	Dec. 5, 1904
Henry A. Barrett	Not Incorporated		Sept. 17, 1903
C. A. Barrett, T. J. Kirk, Joseph France, H. C. Adams, Effie E. Smith	Not Incorporated		Sept. 8, 1903
Wasco Warehouse Milling Company	Jan. 28, 1901	Oregon	July 18, 1910
The Dalles Electric Light, Telephone and Power Company	April 1, 1893	Oregon	April 15, 1901
G. V. Bolton	Not Incorporated		Feb. 8, 1895
Hugh Glenn, G. V. Bolton	Not Incorporated		June 22, 1893
J. E. Hendley, Hugh Glenn	Not Incorporated		Oct. 5, 1891
Yakima-Pasco Power Company	March 31, 1910	Washington	July 29, 1910
Northwest Light and Water Company	Nov. 13, 1907	Nevada	April 8, 1910
Northwest Light and Water Company	June 25, 1903	Washington	January 30, 1908
Yakima Water, Light and Power Company	June 2, 1891	Washington	Dec. 18, 1903
Yakima Water Company	Jan. 31, 1890	Washington	Sept. 1, 1891
Edward Whitson	Not Incorporated		March 27, 1890
Yakima Electric Light Company	Jan 31, 1890	Washington	Sept. 1, 1891
Edward Whitson	Not Incorporated		March 27 1890
Yakima Valley Power Company	Sept. 21, 1908	Washington	April 8, 1910
Robert E. Strahorn	Not Incorporated		Jan. 24, 1910
Pasco Light and Water Company	May 21, 1906	Washington	Aug. 28, 1908
F. E. Elmendorf	Not Incorporated		*
Columbia-Basin Water, Light and Power Company	May 22, 1906	Washington	March 25, 1909
Clifton A. Cochran	Not Incorporated		Sept. 12, 1906
Northwestern Corporation	Feb. 7, 1907	Washington	May 11, 1910
Yakima Gas Company	Nov. 15, 1905	Washington	July 31, 1909
Isaac W. Anderson	Not Incorporated		Dec. 1, 1905

* Not Available

PROPERTIES ACQUIRED AFTER ORGANIZATION

Pacific Power & Light Company continued to acquire isolated electric systems located in the vicinity of the property already acquired or along its interconnecting lines.

A brief description of these subsequent acquisitions follows:

HUSUM POWER COMPANY

This company, which was a co-partnership, owned and operated the electric system in the City of White Salmon, Washington. The assets and liabilities of the company were acquired by the Pacific Power & Light Company, through American Power & Light Company, on February 28, 1911. The Pacific Power & Light Company recorded an investment in plant of $47,681.45. According to a report dated March 22, 1911, by W. R. MacKenzie and Sons, Certified Public Accountants, the plant and property account of the Husum Power Company as of January 1, 1911, amounted to $23,921.64.

The plant acquired consisted of a small hydraulic electric generating station on the White Salmon River, a transmission line of approximately five miles, and an electric distribution system serving approximately 190 customers

THE PROSSER POWER COMPANY AND PROSSER WATER COMPANY

The Prosser Power Company was incorporated under the laws of the State of Washington, October 26, 1908, and the Prosser Water Company was incorporated under the laws of the State of Washington, October 1, 1910. The former owned the water system at Prosser, Washington, until February 7, 1911, at which time such property was conveyed to the water company. The Prosser Power Company acquired part of its properties from the Prosser Falls Land & Power Company in 1909. The latter acquired parts of its properties from the Prosser Falls Light & Irrigation Company August 15, 1905, and The Prosser Electric Company in 1907. The last mentioned companies also acquired parts of their properties from others. It appears that William B Dudley and Fred R. Reed obtained certain water rights as early as 1893. These rights formed the basis for the development of an irrigation system that later found its way into the Prosser Water Company. It appears that the first lighting franchise was granted by the City of Prosser in 1905 to the Prosser Electric Company.

The assets and liabilities of The Prosser Power Company and Prosser Water Company were acquired by Pacific Power & Light Company through the American Power & Light Company. The assets of the former were conveyed April 12, 1911, and the assets of the latter were conveyed April 29, 1911 Pacific Power & Light Company recorded $130,830 44 as its investment in plant acquired. According to an audit report by W. R. MacKenzie and Sons, Certified Public Accountants, the plant accounts of the vendor companies at March 31, 1911, were as follows:

PARTICULARS	AMOUNTS
The Prosser Power Company	$ 90,968 99
Prosser Water Company	33,268.41
Total	$124,237 40

It is explained in the audit report on The Prosser Power Company that the plant account is adjusted to include net deficit from operation

The electric plant acquired by Pacific Power & Light Company included a 200 kw, 2200 volt, 3 phase generator run by a Sampson 56" water wheel, 200 H. P. horizontal steam engine for stand-by use, and distribution system serving approximately 309 customers.

THE KLICKITAT LIGHT & POWER COMPANY

This company was incorporated July 8, 1907, under the laws of the State of Washington The predecessor to this company was The Klickitat Valley Light and Power Company. The assets and liabilities of The Klickitat Light and Power Company were acquired by the Pacific Power & Light Company April 25, 1911, through American Power & Light Company. Pacific Power & Light Company recorded the cost of plant acquired at $45,583.90.

According to a ledger of the vendor company, the fixed capital accounts of The Klickitat Light & Power Company amounted to $28,528.97 as of January 31, 1911.

The plant acquired appears to have consisted of a small hydraulic generating unit and an electric distribution system in Goldendale, Washington, serving approximately 197 customers.

HOOD RIVER LIGHT & POWER COMPANY

This company was incorporated January 15, 1910, under the laws of the State of Oregon. It had acquired part of its property from Hood River Electric Light, Power and Water Company, May 3, 1910, which company had in turn acquired certain property from the Hood River Power and Water Company in 1904. Pacific Power & Light Company acquired the assets and liabilities of the Hood River Light & Power Company, April 27, 1911, through American Power & Light Company. Pacific Power & Light Company recorded the cost of plant acquired at $286,894 49 The books of the vendor company at March 31, 1911, show plant and franchises amounting to $1,162,126 81 It appears, however, that the vendor company's books had been "written up" in excess of $1,000,000.

Available information indicates that the Pacific Power & Light Company acquired a small hydraulic electric generating station, an electric distribution system serving Hood River, Oregon, and adjacent territory, and a water system. The latter was sold to the Town of Hood River before the end of the year 1911.

TUCANNON POWER COMPANY

This company was incorporated under the laws of the State of Washington, March 9, 1903 The assets and liabilities of this company were acquired through the American Power & Light Company by the Pacific Power & Light Company, April 19, 1911 The latter recorded the cost of plant acquired at $91,364 90.

According to an audit report by W. R. MacKenzie and Sons, Certified Public Accountants, the plant of the Tucannon Power Company amounted to $22,104 26 as of January 31, 1911

The plant acquired by Pacific Power & Light Company seems to have consisted of small hydraulic and steam electric generating facilities and an electric distribution system at Pomeroy, Washington

DAYTON ELECTRIC COMPANY

The Dayton Electric Company was incorporated May 25, 1905, under the laws of the State of Washington. It appears that the first electric light plant at Dayton, Washington, was started by the Dayton Electric Light & Power Company in 1889. That company conveyed its property to a

Mr. A. Roth in 1902, who, in 1904, conveyed the property to Messrs. Codd and Ralph. The latter parties conveyed their property to the Dayton Electric Company in 1905.

Pacific Power & Light Company acquired the assets and liabilities of the Dayton Electric Company through American Power & Light Company on April 29, 1911, and recorded the cost of plant acquired at $104,656 54 An audit report by W R MacKenzie and Sons, Certified Public Accountants, shows the plant and property account of the Dayton Electric Company to be $116,764 93 as of April 30, 1911. According to the audit report the plant and property account is stated at an amount adjusted "to terms of sale"

Available information indicates that the electric property acquired included generating facilities of 150 kw capacity and a distribution system in the Town of Dayton, Washington, serving approximately 400 customers.

WAITSBURG ELECTRIC LIGHT COMPANY

This company was incorporated under the laws of the State of Washington, April 3, 1907. The first electric franchise was granted by the Town of Waitsburg in 1896 The Waitsburg Electric Company acquired certain of its property May 17, 1907, from Messrs. Roberts and Henderson. Pacific Power & Light Company acquired the assets and liabilities of the Waitsburg Electric Light Company on April 29, 1911, and recorded an investment in plant of $45,344 70. The property acquired included generating facilities of 150 kw capacity, a transmission line and distribution system in Waitsburg and adjacent territory.

RESERVATION ELECTRIC COMPANY

The Reservation Electric Company was incorporated July 6, 1908, under the laws of the State of Washington Its assets and liabilities were acquired by the Pacific Power & Light Company through American Power & Light Company on October 23, 1911. Pacific Power & Light Company recorded the cost of plant acquired at $39,689.96.

According to a ledger on file, the Reservation Electric Company book cost at August 31, 1911, amounted to $30,487.60 The book cost appears to have included $10,300. for franchises that were set up at amounts credited to stock subscriptions.

The plant acquired was the electric system at Toppenish, Washington, serving approximately 271 customers.

CORBETT BROS.

Pacific Power & Light Company acquired the Huntsville, Washington distribution system on July 1, 1912, from the Corbett Bros., who operated a flour mill in addition to operating the electric system in the Village of Huntsville. Pacific Power & Light Company recorded the amount paid, $2,000., as the cost of the distribution system acquired

VANCOUVER GAS COMPANY

The Vancouver Gas Company was incorporated under the laws of the State of Washington, June 6, 1912. Pacific Power & Light Company acquired the gas system December 29, 1913, and recorded same at $139,926 04 Pacific Power & Light Company sold the gas system to Portland Gas & Coke Company in 1925

HYDRO ELECTRIC COMPANY

This company was incorporated June 5, 1911, under the laws of the State of Oregon The Watt Development Company incorporated as an Oregon corporation, December 3, 1908, acquired land and water rights from various parties in 1909. It also obtained a franchise from the City of Hood River in 1910 On June 30, 1911, the Watt Development Company conveyed its property and rights to the Hydro Electric Company Pacific Power & Light Company acquired the assets and liabilities of the Hydro Electric Company through the American Power & Light Company, October 18, 1915, and recorded the cost of plant acquired at $184,009.13.

The books of the Hydro Electric Company show its plant investment to be $203,255.59 as of October 1, 1915 It appears that the plant account of the Hydro Electric Company includes an amount of $150,000., representing the par value of the capital stock issued in consideration for the conveyance by N C. Evans, one of the incorporators, of real estate, water rights, and franchises.

The plant acquired by the Pacific Power & Light Company included a hydraulic electric generating installation of 300 kw capacity and a distribution system in and near Hood River, Oregon, serving approximately 275 customers

SEASIDE LIGHT AND POWER COMPANY

The Seaside Light and Power Company was incorporated under the laws of the State of Oregon, June 12, 1912 It appears that the Seaside Electric Company, incorporated June 8, 1905, acquired a franchise from the Town of Seaside, Oregon, July 7, 1905. On March 3, 1906, this franchise was transferred to Messrs. Rhodes and Welch, who, together with a Mr. John H McNary, formed and incorporated the Willamette Valley Company under the laws of the State of Oregon, November 10, 1905. The purposes of the company were to construct or purchase and operate railway lines, electric systems, gas systems, and water systems in the cities of Corvallis, Eugene, Albany and other towns and cities in the State of Oregon. On August 19, 1907, this company was incorporated under the laws of the State of Oregon as the Seaside Light & Water Company. This company took over the property and franchise of the Willamette Valley Company, and on August 9, 1912, conveyed its property to the Seaside Light and Power Company.

Pacific Power & Light Company acquired the electric plant and certain other assets from the Seaside Light and Power Company, April 24, 1916. Pacific Power & Light Company recorded the cost of property acquired at $86,683.76.

The property acquired included generating facilities with a capacity of 425 kw and an electric distribution system in the town of Seaside.

GEARHART PARK COMPANY

Pacific Power & Light Company acquired an electric distribution system serving the community of Gearhart, Oregon, on June 28, 1916, and recorded the amount paid, $1,327 60, as the cost of plant acquired.

ATTALIA DAIRY PRODUCTS COMPANY

Pacific Power & Light Company acquired the electric distribution system of the community of Attalia, Washington, from the above company on April 2, 1917 Pacific Power & Light Company recorded its cost, $2,127.35, as its investment in plant acquired.

BURBANK COMPANY

Pacific Power & Light Company acquired the electric distribution system in the community of Burbank, Washington, February 6, 1918, for $2,500, and recorded same as cost of plant acquired

CANNON BEACH ELECTRIC COMPANY

Pacific Power & Light Company acquired the electric distribution system serving the community of Cannon Beach, Oregon, and certain gas engine generating equipment on September 24, 1928 Pacific Power & Light Company recorded its cost of property acquired at $18,715.31. According to a report in the files of the Public Utilities Commissioner of Oregon, the fixed capital of the Cannon Beach Electric Company as of October 31, 1928, amounted to $17,452 69.

HOOD LIGHT COMPANY

Pacific Power & Light Company acquired a small distribution system in the Hood River Valley not far from Parkdale, Oregon, from the above company, on September 18, 1928 Pacific Power & Light Company recorded $6,565.30 as cost of plant acquired.

ACQUISITION OF CERTAIN INLAND POWER & LIGHT COMPANY PROPERTIES, THE PUBLIC SERVICE BUILDING AT PORTLAND, OREGON, AND COMMON STOCK OF THE INLAND POWER & LIGHT COMPANY

On July 16, 1930, Pacific Power & Light Company entered into an agreement with American Power & Light Company which provided that Inland Power & Light Company, an associate, would sell and convey to Pacific Power & Light Company certain electric and other utility properties, and that the Public Service Building in Portland, Oregon, held by Frank A. Reid, would be sold and conveyed to the Pacific Power & Light Company. The agreement in addition to other provisions, provided for delivery to the Pacific Power & Light Company of all of the outstanding shares (except Directors' qualifying shares) of common stock of the Inland Power & Light Company, said stock having no par value.

The amount charged to the plant account of Pacific Power & Light Company, $8,156,972.43, was transferred from an account covering the expenditure requisition authorizing the acquisition of property and stock of Inland Power & Light Company. As indicated above, the agreement under which the acquisition was effected included other stipulations besides the purchase of the property and stock. The following is a summary of Pacific Power & Light Company's journal entry recording the transaction (see next page).

JOURNAL ENTRY VOUCHER NO. 8915, DATED AUGUST 1, 1930

DEBIT		
Expenditure Requisition 2826	$ 8,156,972.43	
Accounts Receivable General (Frank A. Reid)	4,483.14	
Petty Cash (L. L. Levins)	50.00	
Accounts Receivable (Public Service Building)	1,084.26	
American Power & Light Company Open Account	10,829,000.00	
Unexpired Insurance (Public Service Building)	1,602.36	
Prepaid Accounts Miscellaneous (Public Service Building)	308.63	
Reacquired Securities (2nd Preferred Par Value Stock 1900 shares)	190,000.00	
Capital Stock Common (Par Value 61,000 shares)	6,100,000.00	
Total	$25,283,500.82	
CREDIT		
First Mortgage and Prior Lien 5% Gold Bonds		$17,000,000.00
Treasury Stock Common (Par value 3,450 shares)		345,000.00
Accounts Payable (Audited Vouchers Public Service Building)		19,407.71
Prepaid Rents (Public Service Building)		388.82
Payroll Account (Public Service Building)		402.79
Accrued Taxes (Public Service Building)		22,820.00
Accrued Accounts Miscellaneous (Public Service Building)		4.10
Reserve Maintenance (Public Service Building)		4,462.65
Reserve for Retirement and Depreciation		391,014.75
Capital Stock Common - 1,000,000 shares, no par value) Preferred - 5,000 shares, no par value)		7,500,000.00
Total		$25,283,500.82

Explanation on the entry states that it records the effect of terms of the agreement dated July 16, 1930, with American Power & Light Company.

The amount of $8,156,972 43 appears to be the net balance of stated value of securities issued and principal amount of liabilities assumed less par value of certain stock reacquired and the amount of cash and certain current assets obtained by Pacific Power & Light Company. The amount recorded in its plant account remained unclassified as of December 31, 1936.

The company's reclassification effects the following segregation of the amount:

	PARTICULARS	AMOUNT
1.	Other Physical Property	$2,186,387.29
2.	Investment in Affiliated Company	1,209,612.71
3.	Utility Plant	4,760,972.43
	Total	$8,156,972.43

The amount scheduled above as applicable to other physical property purports to be American Power & Light Company's investment in the Public Service Building at Portland, Oregon (including land). The amount is $96,466 60 less than the actual cost of the real estate. The amount scheduled as Investment in Affiliated Company presumably to reflect investment in common stock of Inland Power & Light Company, is an assigned amount.

According to information obtained from Exhibit 8 prepared by the company and introduced in evidence in the hearing before the Federal Power Commission relating to the merger of Pacific Power & Light Company and Inland Power & Light Company, Docket IT 5469, American Power & Light Company's cash cost of Inland Power & Light Company's common stock was $232,002.22. It would, appear, therefore, that Pacific Power & Light Company's assignment of $1,209,612.71 to the stock is $977,610.49 in excess of cash cost to American Power & Light Company.

As of August 1, 1930, Inland Power & Light Company credited its "Fixed Capital" account $4,721,014.75, charged $391,014.75 to its reserve for retirement and depreciation; and charged the balance of $4,330,000.00 to the American Power & Light Company loan account. The explanation of this entry stated that it recorded the sale of certain property as of the close of business, July 31, 1930, by agreement with American Power & Light Company.

As stated above, it appears that the Pacific Power & Light Company's reclassification accounted for $4,760,972.43 as cost of utility plant acquired from Inland Power & Light Company. This amount is $39,957.68 more than the amount recorded by the latter as cost of plant sold.

The utility properties acquired from Inland Power & Light Company included portions of properties that were acquired by Inland Power & Light Company from other utility companies. An outline showing previous ownership of properties, the surviving portions of which constituted the utility systems acquired by Pacific Power & Light Company in 1930, is presented below.

LIST OF CERTAIN PREDECESSOR OWNERS OF PROPERTIES ACQUIRED BY INLAND POWER & LIGHT COMPANY

NAME	INCORPORATED DATE	INCORPORATED STATE	DATE PROPERTY SOLD
Puget Sound Power & Light Company	July 8, 1912	Massachusetts	April 7, 1926
North Coast Power Company	Sept. 27, 1915	Washington	May 29, 1924
Washington-Oregon Corporation	Dec. 7, 1910	Washington	Nov. 10, 1915
Rainier Electric Power Company	Mar. 13, 1906	Oregon	Apr. 1, 1911
Kalama Electric Light and Power Company	Mar. 3, 1903	Washington	Apr. 4, 1911
Lewis River Light & Power Company	Not Incorporated		Oct. 11, 1922
Washington-Idaho Water, Light & Power Company	May 22, 1916	Massachusetts	Sept. 1, 1920
Independent Electric Company	April 8, 1912	Washington	Oct. 12, 1917
Woodland Electric Light Co.	Not Incorporated		1912
Black Rock Power & Irrigation Company	April 20, 1915	Delaware	Dec. 2, 1926
Henry K. T. Lyons	Not Incorporated		May 21, 1915
Hanford Irrigation & Power Company	Nov. 13, 1905	Washington	April 14, 1915
Sherman Electric Company	Jan. 17, 1920	Oregon	July 10, 1928
Atwood-Lee Company	Nov. 20, 1915	Oregon	May 1, 1920
City of Moro	Not Incorporated		Oct. 1, 1921
City of Grass Valley	Not Incorporated		Feb. 16, 1922
Condon Electric Company	July 18, 1905	Oregon	Jan. 8, 1927
Condon Light Company	Oct. 4, 1904	Oregon	"
The Heppner Light and Water Company	Aug. 19, 1892	Oregon	Jan. 8, 1927
H. V. Gates (franchise for water and electric systems in Heppner)	Not Incorporated		Aug. 22, 1892
H. V. Gates, O. B. Gates (Heppner-Ione Line and Lexington Distribution System)	Not Incorporated		Jan. 8, 1918
City of Arlington	Not Incorporated		Feb. 9, 1927
City of Ione	Not Incorporated		Mar. 1, 1927
Fossil Milling Company	Nov. 29, 1918	Oregon	July 1, 1928
Ridgefield Light & Power Company	April 7, 1921	Washington	June 16, 1930
Bratlie-McClelland Mill Co.	July 3, 1913	Washington	Feb. 7, 1922
Clarke County Water, Light and Power Company	Feb. 10, 1923	Washington	Oct. 29. 1927
City of Yacolt	Not Incorporated		Sept. 1929
Northern Clarke County Light and Power Co.	Aug. 29, 1912	Washington	June 8, 1926
J. M. McIntire, Edward McIntosh	Not Incorporated		"

LIST OF CERTAIN PREDECESSOR OWNERS OF PROPERTIES ACQUIRED BY INLAND POWER & LIGHT COMPANY

(Continued)

NAME	INCORPORATED DATE	INCORPORATED STATE	DATE PROPERTY SOLD
Des Chutes Power & Light Company	Nov. 1, 1904	Oregon	July 10, 1928
The Pilot Butte Development Company	Oct. 18, 1900	Oregon	Nov 10, 1911
Des Chutes Power Company	Jan. 27, 1913	Washington	Sept. 2, 1926
Cove Power Company	June 11, 1910	Oregon	March 31, 1913
W. C. Sivyer	Not Incorporated		March 5, 1913
Cline Falls Power Company	Aug. 3, 1901	Oregon	March 5, 1913
Crook County Water Light and Power Company	Jan. 8, 1909	Oregon	Sept. 9, 1913
J. G. McGuffie	Not Incorporated		Sept. 9, 1913
The Prineville Light and Water Company	June 11, 1900	Oregon	Jan. 28 1913
Enterprise Electric Company	June 15, 1911	Oregon	July 10, 1928
E J. Forsythe, Jonathan Haas, Partners operating as Enterprise Electric Company	Not Incorporated		June 26, 1911
E J. Forsythe	Not Incorporated		1905
Chas. G Stacey, William Makin	Not Incorporated		1904
J. D. Zurcher, Chas. G. Stacey	Not Incorporated		1904
Chester C. Turley, William Makin	Not Incorporated		March 12, 1902
Averill Construction Company	Not Incorporated		1901
Lostine Milling Company	March 31, 1898	Oregon	Oct. 23, 1912
George Jacobs	Not Incorporated		May 18, 1912
The Wallowa Mercantile Company	Nov. 11, 1896	Oregon	May 1, 1912
Joseph Light and Power Company	May 28, 1909	Oregon	Nov. 10, 1916
F D McCully	Not Incorporated		June 21 1910
Des Chutes Ice Company	Dec. 17, 1914	Oregon	July 10 1928
Yakima Central Heating Company	April 21, 1909	Washington	July 10 1928

* Not Available

CONNELL POWER & LIGHT COMPANY

Pacific Power & Light Company in 1935 acquired the electric distribution and street lighting system at Connell, Washington, for $6 150 00, which was recorded by the company as cost of plant acquired

UTILITY PLANT PRIOR TO RECLASSIFICATION

The recorded cost of plant of Pacific Power & Light Company as of December 31, 1936, as stated on Statement "D" submitted by the company in its reclassification studies, is presented on the following page as Schedule I

PACIFIC POWER & LIGHT COMPANY
UTILITY PLANT PRIOR TO RECLASSIFICATION

(Utility Plant as of December 31, 1936)

Acct. No.	Account	Amount
E 301	Organization	$ 36,007.72
E 2	Franchises	8,886.19
E 202	Franchises (Electric)	3,500.54
W 302	Franchises	1,194.51
E 206a	Water Rights	3,078.27
E 303	Miscellaneous Intangible Capital	136.87
E 6	Steam Power Plant Land	9.00
E 206b	Land Occupied by Generation Stations--Steam	19,879.60
E 311a	Steam Power Plant Land	1,370.44
E 5	Hydraulic Power Plant Land	82,836.89•
E 206b	Land Occupied by Generating Stations--Hydro	80,103.86
E 311b	Hydraulic Power Plant Land	19,825.20
E 7a	Transmission System Land	98.90
E 7b	Transmission System Right-of-way	39,804.46
E 206c	Land Devoted to Transmission and Transformation Operations	8,328.30
E 311d	Transmission System Land	361,333.75
E 7a	Distribution System Land	82.01
E 7b	Distribution System Right-of-way	6,978.76
E 206d	Land Devoted to Distribution Operations	3,900.36
E 311e	Distribution System Land	81,865.76
E 8	Subetation, Transformer Station and Switching Station Land	29,478.83
E 12	General Office Land	2,142.31
E 311f	General Office Land	18,593.72
E 10	Stores Department Land	536.41•
E 311g-1	Stores Department Land	894.21
E 311g-4	Communication System Land	890.90
E 311g-5	Miscellaneous Land	3,068.09
E 13	Steam Power Plant Buildings, Fixtures and Grounds	14,964.42•
E 208	Steam Power Plant Buildings	180,414.02
E 312a	Steam Power Plant Structures	36,062.58
E 14	Hydraulic Power Plant Buildings, Fixtures and Grounds	18,223.81
E 208	Hydraulic Power Plant Buildings	21,316.67
E 312b	Hydro-electric Power Plant Structures	190,209.03
E 16	Transmission, Transformation and Switching Buildings, Fixtures and Grounds	87,941.87
E 312d	Transmission System Structures	53,723.43
E 219c	Substation Buildings and General Structures	419.33
E 312e	Distribution System Structures	44,544.49
E 20	General Office Buildings, Fixtures and Grounds	13,347.98
E 312f	General Office Structures	164,351.29
E 18	Stores Department Buildings, Fixtures and Grounds	1,840.03
E 312g-1	Stores Department Structures	37,067.93
E 312g-3	Transportation Department Structures	2,826.95
E 19	Utility Equipment Buildings, Fixtures and Grounds	714.46
E 231	General Structures	8,885.15
E 312g-5	Miscellaneous Structures	1,616.80
E 24	Boiler Plant Equipment	92,023.73•
E 210	Boiler Plant Equipment	237,281.43
E 313	Boiler Plant Equipment	158,179.53
E 25a	Steam Engines and Turbines	95,587.80•
E 25b	Steam Generating Plant Equipment--Steam Drivers	2,195.75•
E 211	Steam Engines	48,005.08•
E 212	Electric Generators--Steam	49,736.83
E 314	Prime Movers and Auxiliaries--Steam	1,339.88•
E 315	Turbo-Generator Units--Steam	150,861.47
E 25b	Accessory Electric Power Equipment--Steam Plant	203.08•
E 213	Accessory Electric Power Equipment--Steam	66,820.48
E 316	Electric Plant--Steam	8,559.84
E 317	Miscellaneous Power Plant Equipment--Steam	4,843.02
E 22	Hydraulic Power Works	328,562.54
E 207	Dams, Water Conduits and Penstocks	61,840.78
E 318a	Reservoirs, Dams and Intakes	222,522.49
E 318c	Waterways	983,282.77
E 318d	Forebays, Penstocks and Tailraces	56,583.81
E 319	Roads, Trails and Bridges	2,456.00
E 23	Turbines and Water Wheels	96,846.06
E 23	Hydraulic Power Plant Equipment	3,437.58•
E 23	Electric Generators--Hydraulic Drivers	12,272.43•
E 209	Turbines and Water Wheels	8,305.62
E 212	Electric Generators--Hydro	17,719.65
E 320	Water Turbines and Water Wheels	94,987.42
E 321	Turbo-Generator Units--Hydro	1,879.35
E 322	Electric Plant--Hydro	133,453.24
E 213	Accessory Electric Power Equipment--Hydro	19,926.02
E 214	Miscellaneous Production Equipment	2,456.36•
E 323	Miscellaneous Power Plant Equipment--Hydro	2,125.94
E 28	Substation, Transformer Station and Switching Station Equipment	242,883.57
E 220c	Substation Equipment--Distribution	28,593.00•
E 328a	Transmission Subetation Equipment	373,589.52
E 328b	Distribution Subetation Equipment	1,072,065.06
E 329	Storage Battery Equipment	10,599.77
E 218c	Underground Conduits--Distribution	588.64
E 330	Underground Conduits	8,220.52
E 28	Transmission System Equipment--Overhead	865,093.27
E 218a	Poles and Fixtures--Transmission	25,844.17
	Forward	$8,276,980.56

(•) Indicates credit

Acct. No.	Account	Amount
	Brought Forward	$ 8,370,399.30
E 331a	Transmission Poles, Towers and Fixtures	741,933.30
E 30	Distribution System Equipment--Overhead	389,454.80
E 218c	Poles and Fixtures--Distribution	78,434.04
E 331b	Distribution Poles, Tower and Fixtures	1,656,983.27
E 217a	Overhead System--Transmission	9,187.04•
E 332a	Transmission Overhead Conductors	995,044.16
E 217c	Overhead System--Distribution	44,038.79
E 332b	Distribution Overhead Conductors	1,100,603.21
E 31	Distribution System Equipment--Underground	2,060.19•
E 333b	Distribution Underground Conductors	16,987.34
E 221c	Miscellaneous Equipment--Distribution	2,987.84
E 224	Electric Services	25,482.73
E 335	Services	366,097.29
E 32	Line Transformers	125,438.30
E 223	Line Transformers and Devices	70,992.69
E 336	Line Transformers and Devices	1,192,279.72
E 337	Line Transformer Installation	138,863.60
E 33	Meters	127,269.44
E 225	Electric Meters	38,816.44
E 335	Consumers Meters	519,671.35
E 338a	Peak Load Limiters	24,226.07
E 338b	Time Switches	4,721.20
E 339	Meter Installation	44,448.26
E 339a	Load Limiter Installation	3,481.36
E 339b	Time Switch Installation	198.03
E 35	Municipal Lamps and Lamp Equipment	20,143.34
E 228	Municipal Street Lighting System	1,793.36
E 227	Commercial Lamps and Lamp Equipment	72.94
E 342	Street Lighting Equipment	69,276.84
E 40	Furniture and Office Appliances	2,577.96•
E 232a	General Office Equipment	5,280.06
E 344a	Office Equipment	167,259.25
E 37	Stores Department Equipment	117.69
E 344b	Stores Equipment	2,802.85
E 232b	General Shop Equipment	2,218.55
E 344c	Shop Equipment	4,957.69
E 38	Utility Equipment	4,155.31•
E 344d	Transportation Equipment	175,808.41
E 35a	Telephone Lines and Equipment	12,427.77
E 36b	Instruments and Switchboards	397.66
E 232e	Telephone Lines	5,325.30
E 344e	Telephone, Telegraph and Wireless System	135,770.79
E 344f	Laboratory Equipment	24,865.06
E 38	Miscellaneous Equipment	11,084.15
E 232g	Miscellaneous Equipment	1,997.76
E 344g	Miscellaneous Equipment	21,572.48
E 41	Engineering and Superintendence	162,731.27
E 235a	Engineering and Superintendence	91,558.00
E 42	Law Expenses	2,250.17
E 43	Injuries and Damages	2,394.06
E 45	Interest	47,603.81
E 236	Interest during Construction	104,741.50
E 47	Miscellaneous Expenditures	654.81
E 236e	Miscellaneous Construction Expenditures	22.85•
W 302	Franchises	534.83
W 9	Right-of-way Distribution System	536.06
W 15	Pumping Station Buildings, Fixtures and Grounds	542.35
W 312b	Pumping Station Buildings and Fixtures	785.57
W 312d	Reservoirs and Standpipes	1,207.74
W 312g	Miscellaneous Structures	388.80•
W 313	Boiler Plant Equipment	378.70
W 27	Electric Power Pumping Plant Equipment	402.20
W 315	Electric Power Pumping Equipment	1,387.66
W 31	Purification Equipment	680.43
W 319	Purification System	1,159.00
W 34	Distribution Mains	3,386.42
W 321	Distribution Mains or Canals	18,088.65
W 317c	Hydraulic Pumps and Pump Equipment	1,548.32
W 316	Miscellaneous Pumping Equipment	33.43
W 35	Water Services	2,971.63
W 322	Services	3,674.49
W 37	Meters	1,031.81
W 323	Consumers' Meters and Measuring Devices	5,810.74
W 324	Consumers' Meter and Measuring Device Installation	828.26
W 38	Hydrants	331.60
W 325	Hydrants	987.84
W 41	Utility Equipment	23.00
W 327f	General Laboratory Equipment	58.44
W 42	Miscellaneous Equipment	50.79
W 327g	Miscellaneous Equipment	75.98
W 44	Engineering and Superintendence	735.59
W 48	Interest during Construction	75.24
H 239a	Street Mains	1,732.06
H 240	Meters	339.69
H 241	Services	604.27
H 242-3	Shop Equipment	126.20
H 242-5	Laboratory Equipment	88.45
	Undistributed	5,823.17
	Cost of Plant Purchased	18,788,552.52
	Total of all Plant Accounts	$33,865,609.21
	Work in Progress	87,906.65
	Total Utility Plant	$33,953,515.86

RESUME OF COMPANY'S STUDIES

Pacific Power & Light Company determined and reclassified its cost of electric plant in service, leased to others, and held for future use by pricing an inventory of such plant in place at January 1, 1937, at prices based on information developed in part from its accounts and in part on "estimates" of cost. The inventory of plant in place was obtained through projecting a July 1, 1933 inventory to December 31, 1936, by adding net changes to the inventoried quantities for the period

In the development of information for its reclassification the company had prepared certain statements referred to as "Estimated Cost of Construction" schedules. These statements developed "cost" of plant by location and classified plant accounts as of December 31, 1936. They start with certain averaged appraisal values for plant in 1912 and 1913, to which are applied the amount of classified additions and retirements to plant by years to December 31, 1936. The additions and retirements were taken from the company's accounting records of plant transactions, adjusted to exclude certain items the company considered inappropriate as cost of plant. The original cost and classification of acquired property was based upon records of construction cost, estimates and prior appraisals.

Using its "Estimated Cost of Construction" schedules as a base, the company proceeded to analyze its additions and retirements by Improvement Requisitions or Work Orders from which it developed certain unit costs to construct plant.

The pricing of inventories by the company, generally, was to match unit cost to construct, with the various items shown in the inventory. For items of property that were purchased or otherwise not identified with the unit cost developed from its records, the company used estimated costs. For the most part, estimates of costs were developed by applying a percentage based on variation of certain price indices as of the estimated date of installation and as of the year 1934 to reproduction costs as of the latter date. The costs developed by use of trends were base costs only.

There were certain variations from the procedure outlined above, for example, distribution plant exclusive of substation plant was priced on a "first in first out" principle, whereas other portions of the plant were priced, to a certain extent, by actually matching unit recorded costs with units shown in the inventory.

To the base costs developed as explained above, including the portion based on records and the portion based on estimates, the company added certain additional amounts for overheads which it considered to be proper cost components although not previously capitalized

In its reclassification, the company established $1,260,400.00 in Account 100.5, Electric Plant Acquisition Adjustments. According to advice from the company, $1,000,000.00 of this amount was an estimate of going value acquired, and $260,400.00 was an estimate representing increase in the structural value of acquired properties between the date of construction and the date of acquisition. The company classified a credit of $2,835,787.67 in Account 107, Electric Plant Adjustments, which represented a contra item to the amount included in cost of plant as a restatement of construction overhead costs.

The amount reclassified in Account 108, Other Utility Plant, was based on its "Estimated Cost of Construction" schedules, mentioned above, plus an estimated amount for going value The company considered $224,618.92 to be the cost of physical property, and $25,000.00 to be the amount of going value applicable thereto.

In its reclassification the company made the following other dispositions of amounts included in its recorded cost of plant at December 31, 1936.

	TITLE OF ACCOUNT	AMOUNT
110.	Other Physical Property	$2,272,540 00
111.	Investments in Associated Companies	1,209,612 71
140.	Unamortized Debt Discount and Expense	2,024,993.99
151.	Capital Stock Expense	35,160.34
250.	Reserve for Depreciation	629,525.89
	Total	$6.171,832.93

The amount included in Account 110, Other Physical Property, includes the cost of the Public Service Building in Portland, Oregon, and certain other items of real estate The former was based on book cost to the company, and the latter generally was based on reproduction cost appraisal values The amount included in Account 111, Investments in Associated Companies, is an assignment of part of the amount recorded in connection with the acquisition of certain property and the Inland Power & Light Company common stock, and represents the amount assigned to such stock. The amount included in Account 140, Unamortized Debt Discount and Expense, is a developed amount purporting to measure the discount and expense to American Power & Light Company in connection with securities accepted by it for certain properties transferred to Pacific Power & Light Company in 1910, and other properties and stock of the Inland Power & Light Company sold to the Pacific Power & Light Company in 1930. The amount of $35,160 34 transferred to Account 151, Capital Stock Expense, reflects recorded cost in connection with the issuance and sale of Preferred Stock The charge to Account 250, Reserve for Depreciation, reflects an adjustment intended to correct for a prior period under-retirement of gas, water, street railway, and electric plant previously disposed of. The amount was developed by starting with reproduction values of plant acquired from others and applying thereto the net additions to such plant to December 31, 1936. The amounts thus determined in connection with properties found to have been sold, abandoned, or otherwise disposed of, totaled $409,525 89 To this amount was added estimated going value of $220,000, resulting in a total of $629,525 89, which the company considered to represent unrecorded retirements

The company did not effect a detailed reconciliation between its book cost of plant at December 31, 1936, and its reclassification thereof. In carrying out the reclassification as outlined above, its determined cost of electric plant plus amounts applicable to the other balance sheet accounts was $4,543,447.02 less than the total recorded cost of plant at December 31, 1936, of $33,953,515 86 The company reclassified the difference plus certain other items, or $4,559,635 22, in Account 303, Miscellaneous Intangible Plant, under Account 100 1, Electric Plant in Service.

In Statement B submitted by the company pursuant to Electric Plant Instruction 2-D, the following explanation is made

> "The determination of original cost has been made as to the company s property which existed on December 31, 1936. Much of the property acquired has been rebuilt, expanded or changed to such an extent that it is not now possible to fully identify whatever portion of the acquired property was still in existence as of December 31, 1936, by individual acquisitions. Therefore, it has not been possible to show the original cost of the separate acquisitions."

Although specifically requested, the company furnished no working papers or other evidence to indicate that it had made any attempt to determine the original cost for each acquisition, or otherwise develop information that would indicate the amount includible in Account 100 5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments, with respect to each of the various acquisitions of operating systems or units, as provided by instructions in the Uniform System of Accounts.

In the course of the staff's examination of the company's reclassification study, the company proceeded to make certain re-studies of its determination of original cost and the classifications used, and certain revisions resulted therefrom.

The staffs were furnished schedules and working papers setting forth revised costs of plant that effected corrections for various errors, and these revisions are reflected in the adjustments of the staffs.

SCOPE OF EXAMINATION BY STAFFS OF FEDERAL POWER COMMISSION AND PUBLIC UTILITIES COMMISSIONER OF OREGON

The company's reclassification and supporting studies were examined by the staffs of both Commissions on a joint basis. While certain phases of the examination were carried out by various members of the staffs, the information obtained was reviewed jointly and used as a basis for the conclusions set forth in this report.

The examination was divided into the following parts.

1. A review of certain "Estimated Cost of Construction" schedules, developed by classified accounts, based upon certain appraisal values at 1912 and 1913 to which had been added classified additions and retirements to December 31, 1936, per company records.

2 A review of the classified priced inventory as of December 31, 1936, with respect to amounts classified in Account 100.1, Electric Plant in Service, and in Account 100.2, Electric Plant Leased to Others

3. A review of the company's classification to other utility plant and balance sheet accounts

4 A study of information available for the determination of original cost of plant acquired as operating units or systems, and the development of amounts of electric plant acquisition and other adjustments relative thereto.

ESTIMATED COST OF CONSTRUCTION SCHEDULES

As previously explained, in the development of information for its reclassification study, the company prepared statements referred to as "Estimated Cost of Construction" schedules The examiners reviewed substantially all of the "Estimated Cost of Construction" schedules; applied engineering tests to the property on which costs had been estimated or appraised, analyzed in detail certain Improvement Requisitions from the company's records; checked the amounts appearing on the plant records against the amounts recorded in the schedules, and further adjusted certain amounts deemed to have been estimated or recorded in error.

PRICED INVENTORY AS OF DECEMBER 31, 1936

The basis of the company's reclassification studies submitted to the Commissions was a priced inventory as of December 31, 1936. In the pricing of this inventory, the company relied to a great extent upon the costs developed in the "Estimated Cost of Construction" schedules, with certain revisions in the methods of estimating costs. The examiners reviewed substantially all of the company's priced inventory; applied engineering tests to the property on which costs had been estimated, reconciled closely such recorded costs or averaged unit costs determined in the "Estimated Cost of Construction" schedules, verified the classification of property by accounts, test checked the application of recorded book overheads; made certain verifications of the physical inventory as of July 1, 1933, and test-checked projections to December 31, 1936, examined schedules and supporting work sheets prepared by the company in connection with its study, inspected accounting records and related supporting documents; and made a field inspection of certain major units of physical plant.

The staffs determined adjustments necessary to reflect the results obtained through the company's restudy of plant, including the cost of its Powerdale hydroelectric generating station and certain land and land rights.

The staffs are of the opinion that the company's priced inventory, after application of the adjustments hereinafter set forth, can be accepted as representing the original cost of the company's electric plant as of December 31, 1936. This acceptance is predicated on its relationship with the "Estimated Cost of Construction" schedules as adjusted by the staffs, for which the priced inventory had provided a more accurate classification by accounts. It is also based on the cost of plant as shown by the company's plant accounts reflecting its own construction and recorded construction costs of plant acquired from others, and certain estimates. Original cost of plant on an estimated basis represents approximately seven (7) per cent of the total.

OTHER UTILITY PLANT AND BALANCE SHEET ACCOUNTS

With respect to amounts classified in Account 108, Other Utility Plant, and amounts transferred to other balance sheet accounts, a check was attempted similar to that applied to electric plant in service and electric plant leased to others. It was found generally, however, that the company's reclassifications to these accounts were arbitrary, resulting from a lack of study with respect to property acquisitions. As indicated by the staff's adjustments, the amounts so reclassified have been substantially reversed to Account 100.6, Electric Plant in Process of Reclassification, and to Account 107, Electric Plant Adjustments, pending a proper study and determination of cost of plant acquired.

DETERMINATION OF ORIGINAL COST OF PLANT ACQUIRED

The staffs examined records of various predecessor companies, inventories, appraisals and other data relative to the cost of plant acquired as operating units or systems. The staffs also requested the company to furnish information relative to cash costs of properties acquired, and otherwise explored sources of information relative to the company's property acquisition transactions.

A number of the properties acquired by Pacific Power & Light Company were purchased from American Power & Light Company, an affiliate. No examination has been made, however, of the records of American Power & Light Company by the staffs of the Federal Power Commission or Public Utilities Commissioner of Oregon for purposes of the original cost examination of Pacific Power & Light Company.

The company has not made a study to determine the original cost of acquired property at dates of acquisition necessary to the proper classification of related adjustments with respect to Account 100.5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments Consequently, the examiners have established such adjustments in Account 107, Elect ic Plant Adjustments, pending the preparation of a study by the company to determine proper allocation

STATEMENT OF UTILITY PLANT AND OTHER PHYSICAL PROPERTY AT JANUARY 1 1937

(REFLECTING PROPOSED ADJUSTMENTS OF STAFFS OF FEDERAL POWER COMMISSION AND PUBLIC UTILITIES COMMISSIONER OF OREGON)

Schedule II, shown on the following pages, sets forth Utility Plant and Other Physical Property accounts at January 1, 1937, as reclassified by the company in its original cost study, and after reflecting proposed adjustments of the Commission Staffs. The schedule also sets forth the general nature of the proposed adjustments and the respective amounts by primary plant accounts. These adjustments are described more fully in the pages immediately following the schedule.

Schedule II A, a subschedule of Schedule II, sets forth the adjusted Utility Plant and Other Physical Property accounts on the basis of situs

[illegible]

[illegible] UTILITY PLANT AT [illegible] PROPERTY AS OF JANUARY 1, 19[illegible]7
Reflecting Adjustments by Staffs of Federal Power [illegible] and Public Utilities Commissioner of [illegible]

[illegible]

Acct. No. / Account	[illegible]	[illegible]	Difference [illegible] to the Proposed Amounts	Adjmts. resulting from Inventory by Company	Reversal of Amts. Added to Effect Restatement of Overhead Costs	Adjmt. of Improper Charges to Production Plant	Adjmt. of Improper Charges to Intangible Plant	Adjmt. of Unsupported Charges to Intangible Plant	Costs of Organization	Excess of Book Cost Over Determined Original Cost	Transfers Between Accounts	Amts. Reversed to Acct. 100.6 Electric Plant in Process of Reclassification
100 Electric Plant												
100.1 Electric Plant in Service												
Intangible Plant												
301. Organization	[illegible]	$ 1,[illegible].71	$ [illegible]1.73	$ -	$ -	-	$ [illegible]840.[illegible]	$ -	$1,000.[illegible]	$ -	$ -	$ -
302. Franchises and Consents	[illegible]	7,[illegible]	[illegible]	-	-	-	4,[illegible]	5,[illegible]	-	-		-
303. Miscellaneous Intangible Plant	[illegible]	[illegible].56	[illegible]	[illegible]	-	-	-	2,141.[illegible]	-	[illegible].02)	-	-
Total Intangible Plant	[illegible]	[illegible]	[illegible]	([illegible])	-	-	5,[illegible].11	[illegible]	[illegible].71	[illegible]	-	-
Production Plant												
A. Steam Production												
310. Land and Land Rights	[illegible]	23,[illegible].5	-	-	-	-	-	-	-	-	-	-
311. Structures and Improvements	[illegible]	[illegible]	5,266.07	-	[illegible].268.07	-	-	-	-	-	-	-
312. Boiler Plant Equipment	27,[illegible]32.1	[illegible]	[illegible]	-	[illegible]	-	-	-	-	-	-	-
314. Turbogenerator Units	[illegible]	2[illegible]	37,725.[illegible]	-	[illegible].80	-	-	-	-	-	-	-
315. Accessory Electric Equipment	[illegible]	36,[illegible]1.65	[illegible]	-	[illegible].85	-	-	-	-	-	-	-
316. Miscellaneous Power Plant Equipment	3,1[illegible]	[illegible]	[illegible]6.20	-	3[illegible]5.20	-	-	-	-	-	-	-
Total Steam Production Plant	[illegible],211,[illegible]	[illegible]	([illegible])	-	([illegible])	-	-	-	-	-	-	-
Hydraulic Production												
320. Land and Land Rights	27[illegible],365.3[illegible]	[illegible],203.[illegible]7	[illegible]	([illegible]1.37)	-	-	-	-	-	-	-	-
321. Structures and Improvements	[illegible]62,[illegible]	404,[illegible].30	58,561.[illegible]	(22,[illegible]78.[illegible])	(36,[illegible].01)	-	-	-	-	-	-	-
322. Reservoirs, Dams and Waterways	2,770,203.[illegible]	2,7[illegible],526.25	226,677.24)	111,773.47	256,096.43)	(12,554.68)	-	-	-	-	-	-
323. Water Wheels, Turbines and Generators	556,[illegible]	505,[illegible].29	51,256.[illegible]7	[illegible],273.[illegible])	41,[illegible]82.64	-	-	-	-	-	-	-
324. Accessory Electric Equipment	[illegible]77.1[illegible]	84,[illegible]5.40	[illegible],091.77	224.51	8,967.26)	-	-	-	-	-	-	-
325. Miscellaneous Power Plant Equipment	[illegible]2	1[illegible]7.3[illegible]	[illegible]	[illegible]3)	(6[illegible].75	-	-	-	-	-	-	-
326. Roads, Railroads and Bridges	[illegible]1	[illegible]71.74	511.[illegible]	.42	[illegible].59	-	-	-	-	-	-	-
Total Hydraulic Production Plant	[illegible]	[illegible]	([illegible])	21,[illegible]	([illegible])	(12,554.68)	-	-	-	-	-	-
Transmission Plant												
340. Land and Land Rights	27[illegible],[illegible]74.7[illegible]	320,663.30	44,699.06	[illegible],699.06	-	-	-	-	-	-	-	-
341. Clearing Land and Rights-of-way	107,[illegible]4[illegible]7	103,023.22	(4,861.25	7,65[illegible].00	12,511.25)	-	-	-	-	-	-	-
342. Structures and Improvements	1[illegible]1,[illegible].07	126,026.40	(15,[illegible]21.67	([illegible]30.99)	15,0[illegible]0.68	-	-	-	-	-	-	-
343. Station Equipment	1,1[illegible]	1,106,[illegible]4.76	1,470.58	124,[illegible].62	125,785.20	-	-	-	-	-	-	-
344. Towers and Fixtures	134,[illegible]3.61	122,[illegible]30.37	12,057.24)	2,902.72	14,8[illegible].26	-	-	-	-	-	-	-
345. Poles and Fixtures	[illegible]49.91	1,[illegible],2[illegible]7.34	216,13[illegible]	[illegible],762.77	(112,625.04)	-	-	-	-	-	-	-
346. Overhead Conductors and Devices	1,737,645.73	1,766,[illegible]22.54	31,877.21	225,131.66	193,254.45	-	-	-	-	-	-	-
348. Underground Conductors and Devices	-	[illegible],11[illegible].65	5,11[illegible].65	5,11[illegible].65	-	-	-	-	-	-	-	-
Total Transmission Plant	4,[illegible]	[illegible]	2[illegible].11	7[illegible].79	([illegible],125.[illegible]8)	-	-	-	-	-	-	-
Distribution Plant												
350. Land and Land Rights	156,[illegible]2	85,1[illegible]7.[illegible]	(70,[illegible]1.[illegible]7	(70,841.87)	-	-	-	-	-	-	-	-
351. Structures and Improvements	1[illegible]2,1[illegible]	12,206.73	(3[illegible],[illegible]4.76)	(28,[illegible]01.86)	(11,027.90)	-	-	-	-	-	-	-
352. Station Equipment	1,[illegible]61,2[illegible].[illegible]0	1,149,793.75	311,[illegible]0.65)	1[illegible],352.[illegible]3)	(162,088.32)	-	-	-	-	-	-	-
354. Poles, Towers and Fixtures	2,982,[illegible]2	2,169,680.31	812,7[illegible].11	(314,208.36)	(498,53[illegible].75)	-	-	-	-	-	-	-
355. Overhead Conductors and Devices	2,1[illegible]	[illegible],5[illegible]4,736.[illegible]	608,[illegible]30.34	(242,046.58)	(366,083.91)	-	-	-	-	-	-	-
356. Underground Conduit	10,[illegible]3.37	[illegible],1[illegible]	1,884.52	-	(1,884.52)	-	-	-	-	-	-	-
357. Underground Conductors and Devices	25,[illegible]3.2[illegible]	15,[illegible].20	9,472.[illegible]	(5,115.65)	(4,356.[illegible]	-	-	-	-	-	-	-
358. Line Transformers	2,104,[illegible].18	1,[illegible],8[illegible]1	(364,075.77)	(3,251.34	(360,824.43	-	-	-	-	-	-	-
359. Overhead Services	[illegible]76,1[illegible]	392,075.05	(84,085.63)	(2,[illegible]60.28)	(81,625.35)	-	-	-	-	-	-	-
360. Meters	1,20[illegible],[illegible].62	[illegible]7,926.33	205,[illegible]88.29	80[illegible].92)	(206,294.11	-	-	-	-	-	-	-
36[illegible]. Street Lighting and Signal Systems	33[illegible]	2[illegible],169.62	57,771.3[illegible]	(2,811.05	(54,[illegible]0.25)	-	-	-	-	-	-	-
Total Distribution Plant	11,[illegible]	8,[illegible]	(2,[illegible]6,525.3[illegible])	(61[illegible])	(1,7[illegible],68[illegible].58)	-	-	-	-	-	-	-
General Plant												
370. Land and Land Rights												
370.1 Office	36,280.28	36,322.35	(1,957.93	(1,957.[illegible]3)	-	-	-	-	-	-	-	-
370.3 Stores	19,[illegible]48.92	11,[illegible]15.59	(8,133.33)	(8,133.33)	-	-	-	-	-	-	-	-
370.[illegible] Miscellaneous	1,602.70	1,602.70	-	-	-	-	-	-	-	-	-	-
371. Structures and Improvements												
371.1 Office	169,066.[illegible]	178,509.17	[illegible],[illegible]0.69	9,815.01	(374.32)	-	-	-	-	-	-	-
371.2 Transportation	7,233.68	7,217.66	(16.02)	-	16.02)	-	-	-	-	-	-	-
371.3 Stores	60,[illegible]70.[illegible]	60,337.07	133.59)	.01)	(133.58)	-	-	-	-	-	-	-
371.4 Shops	3,633.71	3,625.66	8.05	-	8.05)	-	-	-	-	-	-	-
371.[illegible] Miscellaneous	4,778.62	4,768.04	(10.58)	-	(10.58)	-	-	-	-	-	-	-
372. Office Furniture and Equipment	237,73[illegible]	183,[illegible]31.30	(54,002.63)	(53,476.28)	(526.35)	-	-	-	-	-	-	-
373. Transportation Equipment	204,388.21	18[illegible],377.71	(17,010.50	(16,557.[illegible]8)	452.52)	-	-	-	-	-	-	-
374. Stores Equipment	[illegible].30	[illegible],304.05	305.75	385.54	19.79)	-	-	-	-	-	-	-
375. Shop Equipment	41,827.17	15,150.03	(26,677.14	(26,584.53)	(92.61)	-	-	-	-	-	-	-
376. Laboratory Equipment	54,000.20	46,636.48	(7,363.72	(7,244.16)	11[illegible].56)	-	-	-	-	-	-	-
377. Tools and Work Equipment	21,[illegible]4.5[illegible]	40,789.64	19,374.81	1[illegible],[illegible]22.22	([illegible]7.[illegible]1)	-	-	-	-	-	-	-
378. Communication Equipment	24[illegible].64	235,617.67	(5,920.97	5,457.77	[illegible]63.20	-	-	-	-	-	-	-
379. Miscellaneous Equipment	2,626.02	[illegible],[illegible]60.08	41,833.16	41,[illegible]	(5.82	-	-	-	-	-	-	-
Total General Plant	1,11[illegible]	1,[illegible]	[illegible]50,[illegible]	(47,[illegible].24)	(2,2[illegible]0.11)	-	-	-	-	-	-	-
3[illegible]. Other Tangible Plant	-	6,[illegible]	6,[illegible]	6,[illegible]	-	-	-	-	-	-	-	-
Total Account 100.1	26,925,615.20	19,166,[illegible]7.54	(7,759,[illegible]7.66)	(11[illegible],[illegible]33.74)	(2,7[illegible])	(12,554.68)	(5,8[illegible].11)	(7,[illegible]75.45)	1,0[illegible].71	([illegible],523,[illegible]7.02)	-	-
100.2 Electric Plant Leased to Others												
Intangible Plant												
302. Franchises and Consents	1,5[illegible].00	-	(1,500.00)	-	-	-	-	(1,500.00	-	-	-	-
Total Franchises and Consents	1,5[illegible]	-	1,500.[illegible])	-	-	-	-	(1,5[illegible].00	-	-	-	-
Transmission Plant												
340. Land and Land Rights	125,[illegible]	[illegible]6,061.63	(29,327.85)	(29,327.85)	-	-	-	-	-	-	-	-
341. Clearing Land and Rights-of-way	71,[illegible]5	67,72[illegible]	(3,[illegible]14.26	-	([illegible],314.26)	-	-	-	-	-	-	-
342. Structures and Improvements	21,661.[illegible]8	20,619.70	(1,042.28)	(31.66	(1,010.62	-	-	-	-	-	-	-
343. Station Equipment	100,3[illegible]	95,55[illegible]	(4,83[illegible].18)	(149.62)	(4,683.56)	-	-	-	-	-	-	-
34[illegible]. Poles and Fixtures	[illegible]1,67[illegible].15	77,[illegible]64.67	(3,810.48	-	(3,810.48)	-	-	-	-	-	-	-
346. Overhead Conductors and Devices	171,[illegible].36	1[illegible]3,360.00	(7,[illegible]5.36	-	(7,[illegible]5.36)	-	-	-	-	-	-	-
Total Transmission Plant	[illegible]	521,226.[illegible]	(50,[illegible].41)	(29,[illegible].13)	(2[illegible])	-	-	-	-	-	-	-
Distribution Plant												
350. Land and Land Rights	25,284.[illegible]	24,[illegible]62.55	(822.00)	(822.00)	-	-	-	-	-	-	-	-
352. Station Equipment	[illegible]6,0[illegible]6.02	70,7[illegible].11	(5,971.[illegible]1)	2,089.[illegible]7)	2,[illegible]1.[illegible]	-	-	-	-	-	-	-
354. Poles, Towers and Fixtures	548,[illegible]7	5[illegible].01	(30,406.96	(4,7[illegible]9.24	(25,607.73)	-	-	-	-	-	-	-
355. Overhead Conductors and Devices	[illegible]2[illegible],1[illegible]3.[illegible]	3[illegible]722.5[illegible]	(30,[illegible]30.49	(10,595.36)	(19,835.13)	-	-	-	-	-	-	-
357. Underground Conductors and Devices	17,3[illegible]5.62	16,526.84	(808.78	-	(808.78)	-	-	-	-	-	-	-
358. Line Transformers	216,827.87	201,461.25	(15,366.62)	(5,250.71)	(10,115.[illegible]1)	-	-	-	-	-	-	-
359. Overhead Services	60,570.[illegible]	56,621.04	(3,949.95)	(1,124.08)	(2,525.[illegible]7	-	-	-	-	-	-	-
360. Meters	[illegible]	91,[illegible]1.73	(6,2[illegible]0.[illegible]	(1,710.0[illegible]	4,580.61	-	-	-	-	-	-	-
363. Street Lighting and Signal Systems	1[illegible],1[illegible]2.13	1[illegible]	[illegible]62.[illegible]	(70.00)	[illegible]1.19	-	-	-	-	-	-	-
Total Distribution Plant	1,08[illegible].62	1,[illegible],028.12	(75,00[illegible].50)	(2[illegible],362.34)	(67,6[illegible].16)	-	-	-	-	-	-	-
General Plant												
370. Land and Land Rights												
370.3 Stores	1,482.[illegible]	1,482.37	-	-	-	-	-	-	-	-	-	-
370.6 Communications	7,266.[illegible]	[illegible],266.94	-	-	-	-	-	-	-	-	-	-
371. Structures and Improvements												
371.3 Stores	3,3[illegible].5	3,1[illegible]1.41	(156.18	-	(156.18)	-	-	-	-	-	-	-
378. Communication Equipment	18,[illegible]	1[illegible],[illegible].68	(861.72	-	(861.72	-	-	-	-	-	-	-
Total General Plant	[illegible]	[illegible]	(1,[illegible])	-	(1,[illegible]0)	-	-	-	-	-	-	-
Total Account 100.2	2,[illegible]	[illegible].22	([illegible])	(56,[illegible])	(59,[illegible].4[illegible])	-	-	(1,5[illegible].00	-	-	-	-
Total of Accounts 100.1 and 100.2	2[illegible]	[illegible],[illegible]1.56	(7,8[illegible])	([illegible],3[illegible].2[illegible])	(2,[illegible].6[illegible])	(12,554.68)	(5,[illegible].11)	([illegible])	1,[illegible]	([illegible])	-	-
100.3 Construction Work In Progress	87,906.65	87,828.95	(77.70)	-	-	-	-	-	-	-	[illegible]	-
100.4 Electric Plant Held for Future Use												
Transmission Plant												
340. Land and Land Rights	2,275.00	-	(2,275.00)	-	-	-	-	-	-	-	(2,275.[illegible])	-
100.5 Electric Plant Acquisition Adjustments	1,260,[illegible]	-	(1,260,400.00)	-	-	-	-	-	-	(1,26[illegible])	-	-
100.6 Electric Plant in Process of Reclassification	-	92,571.76	[illegible]2,5[illegible]1.76	-	-	-	-	-	-	-	-	[illegible]1.76
Total Electric Plant	[illegible]	21,[illegible]	(8,377,[illegible])	([illegible])	(2,8[illegible],7[illegible].67)	(12,554.68)	(5,8[illegible].11)	([illegible])	1,0[illegible].71	([illegible].02)	[illegible]	[illegible]
107. Electric Plant Adjustments	(2,[illegible]35,[illegible].67	[illegible],094,[illegible]	12,[illegible]1.14	16[illegible],[illegible]1.76	2,83[illegible],757.67	12,554.68	5,8[illegible]9.11	[illegible]475.4[illegible]	1,000.71	[illegible]	-	[illegible]
108. Other Utility Plant	2,[illegible].2	[illegible],615.[illegible]3	(1[illegible]1,003.00)	-	-	-	-	-	-	-	[illegible]	[illegible]
Total Utility Plant	27,[illegible]	[illegible],501.[illegible]	3,961,[illegible].64	([illegible])	-	-	-	-	-	[illegible],272.[illegible]	[illegible]	[illegible].15
Other Balance Sheet Accounts Affected By Reclassification												
110. Other Physical Property	2,27[illegible]	2,[illegible]	[illegible]2,5[illegible])	[illegible],467.45	-	-	-	-	-	-	[illegible]	[illegible]
111. Investments in Associated Companies	1,209,[illegible]12.[illegible]1	-	(1,20[illegible],612.[illegible]1)	-	-	-	-	-	-	[illegible],2[illegible]	-	-
1[illegible]. Unamortized Debt Discount and Expense	2,02[illegible]	-	(2,02[illegible],[illegible]3.[illegible])	-	-	-	-	-	-	2,[illegible]	-	-
1[illegible]. Capital Stock Expense	[illegible],160.[illegible]	-	([illegible]5,160.[illegible]	-	-	-	-	-	-	[illegible]5.	-	-
2[illegible]. Reserve for Depreciation	629,525.[illegible]	-	62[illegible],525.[illegible])	-	-	-	-	-	-	62[illegible]	-	-
Total Accounting for Book Cost of Plant Reclassified	$13,953,515.86	[illegible].86	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

PACIFIC POWER & LIGHT COMPANY

Statement of Electric Plant On Basis of Situs

(After Giving Effect To Adjustments Proposed By Staffs)

Schedule II A

	Total	Property Situated In State of Washington	Property Situated In State of Oregon	Not Distributed
100. Electric Plant				
100.1 Electric Plant In Service				
I. Intangible Plant				
301. Organization	$ 1,090.71	$ -	$ -	$ 1,090.71
302. Franchises and Consents	7,963.68	6,866.66	2,897.13	-
303. Misc. Intangible Plant	340.56	126.20	216.36	-
Total Intangible Plant	9,394.96	6,691.76	2,612.49	1,090.71
II. Production Plant				
(A) Steam Production				
310. Land and Land Rights	23,877.46	-	23,877.46	-
311. Structures and Improvements	345,078.30	-	345,078.30	-
312. Boiler Plant Equipment	377,863.31	-	377,863.31	-
314. Turbo-Generator Units	267,583.84	-	267,583.84	-
315. Accessory Electric Equipment	38,581.65	-	38,581.65	-
316. Misc. Power Plant Equipment	2,783.94	-	2,783.94	-
Total Steam Production	1,073,788.29	-	1,073,788.29	-
(B) Hydraulic Production				
320. Land and Land Rights	244,293.97	72,807.80	171,486.17	-
321. Structures and Improvements	404,007.00	89,346.30	314,660.70	-
322. Reservoirs, Dams and Waterways	2,743,326.25	898,638.72	1,844,687.53	-
323. Water Wheels, Turbines and Generators	505,224.29	170,931.58	334,292.71	-
324. Accessory Electric Equipment	84,985.40	13,230.28	71,755.12	-
326. Misc. Power Plant Equipment	19,527.34	4,801.09	14,726.26	-
328. Roads, Railroads and Bridges	4,571.74	554.06	4,017.68	-
Total Hydraulic Production	4,006,935.99	1,250,309.83	2,756,626.16	-
Total Production Plant	5,079,704.28	1,250,309.83	3,829,394.45	-
III. Transmission Plant				
340. Land and Land Rights	320,683.80	217,371.64	103,292.16	-
341. Clearing Land and Rights-of-Way	103,023.22	85,917.32	17,105.90	-
342. Structures and Improvements	126,026.40	115,743.78	10,282.62	-
343. Station Equipment	1,106,614.78	823,446.30	283,168.48	-
344. Towers and Fixtures	122,036.37	82,456.91	39,579.46	-
345. Poles and Fixtures	1,226,287.54	670,967.28	555,320.66	-
346. Overhead Conductors and Devices	1,769,522.54	1,235,998.38	533,524.16	-
348. Underground Conductors and Devices	5,116.65	-	5,116.65	-
Total Transmission Plant	4,779,290.58	3,231,901.61	1,547,388.97	-
IV. Distribution Plant				
350. Land and Land Rights	85,187.65	48,908.91	36,278.74	-
351. Structures and Improvements	112,205.73	89,212.60	22,993.13	-
352. Station Equipment	1,149,793.75	719,650.33	430,143.42	-
354. Poles, Towers and Fixtures	2,189,680.31	1,388,276.58	801,404.73	-
355. Overhead Conductors and Devices	1,574,736.99	1,043,401.74	531,335.25	-
356. Underground Conduit	9,108.85	-	9,108.85	-
367. Underground Conductors and Devices	16,941.20	-	16,941.20	-
368. Line Transformers	1,740,789.41	1,188,433.23	585,356.18	-
369. Services	392,075.05	245,241.65	146,833.40	-
370. Meters	997,928.33	632,249.08	365,677.25	-
373. Street Lighting and Signal Systems	276,169.62	161,115.39	115,054.23	-
Total Distribution Plant	8,623,614.89	6,463,488.51	3,060,126.38	-
V. General Plant				
370. Land and Land Rights				
370.1 Office	36,322.35	25,019.07	11,303.28	-
370.3 Stores	11,816.59	8,305.20	3,510.39	-
370.7 Miscellaneous	1,602.79	1,602.79	-	-
371. Structures and Improvements				
371.1 Office	178,509.17	163,020.37	25,488.80	-
371.2 Transportation	7,217.66	4,609.37	2,608.29	-
371.3 Stores	60,337.07	43,848.68	16,488.39	-
371.4 Shops	3,626.66	3,626.66	-	-
371.7 Miscellaneous	4,768.04	4,636.36	132.68	-
372. Office Furniture and Equipment	183,731.30	57,227.50	126,503.80	-
373. Transportation Equipment	187,377.71	116,623.19	71,754.52	-
374. Stores Equipment	9,504.05	5,583.06	3,920.99	-
375. Shop Equipment	15,160.03	10,328.51	4,821.52	-
378. Laboratory Equipment	46,636.48	27,971.24	18,656.24	-
377. Tools and Work Equipment	40,789.64	22,948.23	17,843.41	-
378. Communication Equipment	235,617.67	168,608.36	76,009.31	-
379. Miscellaneous Equipment	44,460.08	29,286.37	15,173.71	-
390. Other Tangible Property	6,877.66	-	6,877.66	-
Total General Plant	1,074,142.84	673,040.96	401,101.88	-
Total Account 100.1	19,466,147.64	10,624,432.66	8,840,624.17	1,090.71
100.2 Electric Plant Leased to Others				
III. Transmission Plant				
340. Land and Land Rights	96,081.63	98,081.63	-	-
341. Clearing Land and Rights-of-Way	67,724.69	67,724.69	-	-
342. Structures and Improvements	20,619.70	20,619.70	-	-
343. Station Equipment	96,555.81	96,555.81	-	-
345. Poles and Fixtures	77,864.67	77,864.67	-	-
346. Overhead Conductors and Devices	163,380.00	163,380.00	-	-
Total Transmission Plant	521,226.50	521,226.50	-	-
IV. Distribution Plant				
350. Land and Land Rights	24,462.55	17,097.21	7,365.34	-
352. Station Equipment	70,724.11	60,104.35	10,619.76	-
354. Poles, Towers and Fixtures	518,478.01	428,451.12	90,026.89	-
355. Overhead Conductors and Devices	394,722.55	333,125.81	61,596.94	-
357. Underground Conductors and Devices	16,526.84	-	16,526.84	-
368. Line Transformers	201,461.25	168,147.00	33,314.25	-
369. Services	56,621.04	47,792.53	8,828.51	-
370. Meters	91,891.73	77,241.62	14,650.21	-
373. Street Lighting and Signal Systems	18,140.04	13,618.32	4,521.72	-
Total Distribution Plant	1,393,028.12	1,145,567.66	247,460.46	-
V. General Plant				
370. Land and Land Rights				
370.3 Stores	1,482.37	-	1,482.37	-
370.6 Communication	7,266.94	7,266.94	-	-
371. Structures and Improvements				
371.3 Stores	3,191.41	-	3,191.41	-
378. Communication Equipment	17,508.68	17,508.68	-	-
Total General Plant	29,449.40	24,775.62	4,673.78	-
Total Account 100.2	1,943,804.02	1,691,679.78	252,124.24	-
Total Accounts 100.1 and 100.2	$21,409,951.66	$12,316,112.44	$ 9,092,748.41	$ 1,090.71

ADJUSTMENTS PROPOSED BY STAFFS OF FEDERAL POWER COMMISSION AND PUBLIC UTILITIES COMMISSIONER OF OREGON

ACCOUNT 100 1 ELECTRIC PLANT IN SERVICE $(7 459 467.66)

ACCOUNT 100 2 ELECTRIC PLANT LEASED TO OTHERS $(147 850.81)

The staff's adjustments to the various classified accounts under Account 100.1, Electric Plant in Service, and Account 100 2, Electric Plant Leased to Others, because of their same general characteristics, are discussed collectively in the following paragraphs

CORRECTIONS DEVELOPED IN CONNECTION WITH RESTUDY OF COST OF ELECTRIC PLANT BY THE COMPANY - $(171 305 21)

During the course of the examination, the company reviewed and revised its original cost studies As a result of this restudy, certain adjustments and corrections were made to the statements originally submitted to the Federal Power Commission and the Public Utilities Commissioner of Oregon The adjustments so developed were transmitted to the staffs for review in the form of schedules and supporting work papers In order to give effect to these revisions, adjustments aggregating $171,305 21 have been applied to the amounts appearing in the company's original cost studies of which $163,841 76 has been transferred to Account 107, Electric Plant Adjustments and the balance of $7,463 45 to Account 110, Other Physical Property.

The adjustments resulting from such revisions involve corrections for various types of errors and improprieties, which may be summarized as follows

PARTICULARS	AMOUNT
Correction of Mechanical Errors	$ 5,574 43
Correction of Estimates of Base Costs	84.572 05
Correction of Estimates of Indirect Costs	54.191 29
Corrections Between Capital and Revenue Classification of Expenditures	14 824 34
Miscellaneous Other Corrections	4 679 65
Transfers to Other Physical Property	7,463 45
Total	$171 305 21

The above tabulation reflects net amounts. Where the corrections involve several types of errors, the amounts have been grouped under the explanatory title indicating the predominant reason for correction Since such adjustments have originated with the company as a result of its restudy, and have been accepted by the staff, no comprehensive analysis has been included in this report The nature of the adjustments may be briefly stated as follows

CORRECTION OF MECHANICAL ERRORS

This includes adjustment for errors in extending, footing, and transcribing amounts in the company's working papers, and certain duplication of costs

CORRECTION OF ESTIMATES OF BASE COSTS

This includes revisions of cost estimates based on trending of price indices and the substitution therefor of estimates of original cost on the basis of conditions at time of construction.

CORRECTION OF ESTIMATES OF INDIRECT COSTS.

This includes adjustments of overheads and other indirect elements of cost, originally predicated on arbitrary percentages, but revised by the company to reflect conditions determined to have actually existed with respect to such elements of cost as indicated by analysis of its recorded cost of plant, or as established by estimates giving due consideration to past accounting practices.

CORRECTIONS BETWEEN CAPITAL AND REVENUE CLASSIFICATION OF EXPENDITURES:

This includes amounts eliminated from the original cost of plant by the company in its restudy because such items were charged to operating expenses when originally accounted for, or were otherwise not proper capital expenditures.

MISCELLANEOUS OTHER CORRECTIONS:

This includes adjustments for estimated waste allowance, breakage, spare poles, and similar items.

TRANSFERS TO OTHER PHYSICAL PROPERTY:

This represents adjustments made to transfer, to the proper accounts, the cost of property not used in electric or other utility operations.

REVERSAL OF AMOUNTS ADDED TO EFFECT A RESTATEMENT OF OVERHEAD COSTS - $(2,835,787.67)

As set forth in Statement F of the company's reclassification and original cost studies, certain of the amounts shown in that statement in Account 100.1, Electric Plant in Service, and Account 100.2, Electric Plant Leased to Others, include overheads which the company considered to be "proper components of original cost but which were not recorded in the plant accounts as per books of the company". The overheads, which totaled $2,835,787.67, were included in the various classified plant accounts at the amounts indicated by the staffs' adjustment shown in Schedule II, preceding. The total included by the company in its electric plant accounts was offset by a contra credit to Account 107, Electric Plant Adjustments.

Working papers furnished by the company showed the total amount to be comprised of the following items:

Divisional General Salaries - (Applicable to distribution system plant, excluding system leased to Northwestern Electric Company)	$ 576,186.83
Administrative and General Expenses - (Applicable to plant leased to Northwestern Electric Company)	89,479.34
Interest on Materials and Supplies Held for Construction - (Applicable to plant, except leased property and general equipment)	212,389 50
Taxes on Materials and Supplies Held for Construction - (Applicable to plant, except leased property and general equipment)	93,010.49
Interest on Cash Balances - (Applicable to all plant)	38,939 20
Depreciation on Transportation Equipment - (Applicable to plant, except leased property and general equipment)	84,370 42
Depreciation on Furniture and Fixtures - (Applicable to plant, except leased property)	49,577 69
Administrative and General (Applicable to plant, except leased property)	1,691,834 20
Total	$2,835,787.67

In response to a request for certain data with respect to the basis of development of overheads so restated, the company advised that it was then engaged in making additional analyses of the items contained in such overheads, which analyses would probably result in substantial changes in the amount.

The intention and results of the company's procedure is contrary to Instruction 2-B of the Electric Plant Account Instructions contained in the Uniform System of Accounts, which provides in part as follows:

> ". . . . It is likewise not intended that adjustments shall be made to record in electric plant accounts amounts previously charged to operating expenses in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under such uniform system of accounts."

Almost since inception, Pacific Power & Light Company has been operating under uniform systems or classifications of accounts promulgated by the Public Service Commission of the State of Oregon and the Department of Public Service of the State of Washington, under which systems of accounts, and in accordance with the discretion of management, the amounts attempted to be restated, if incurred, were charged to operating expenses.

The entire amount of such restated overheads has been scheduled for adjustment, and reversed to Account 107, Electric Plant Adjustments.

ADJUSTMENT OF IMPROPER CHARGES TO PRODUCTION PLANT - $(42,554.68)

In the latter part of 1912, the company started construction of a hydroelectric generating station on the Hood River at what appears to have been the present site of the company's Powerdale generating station. The costs are identified in the company's records as applicable to

Improvement Requisition No 492. It appears that work on this project was suspended in June 1913. In the latter part of 1922 the company started construction of the present Powerdale generating station Costs in connection with construction of this station during the period 1922 and 1923 are identified in the company's records with Improvement Requisition No 1852.

The company's recorded costs identified with Improvement Requisition No. 492 total $138,875.40. The recorded costs include various direct and indirect costs that appear to relate to certain excavation and preliminary work in connection with the project The recorded costs also include various charges during the period after the project appears to have been suspended. The total costs shown above are also net of certain credits representing profit on equipment and material purchased for the project and later sold by the company.

In its reclassification the company has included the net total recorded cost accounted for in connection with Improvement Requisition No. 492 as part of the cost of the Powerdale Generating Station.

The staffs have eliminated the following items from the reclassified costs represented by amounts associated with the Improvement Requisition as being improper charges.

PARTICULARS	AMOUNT
Interest capitalized in excess of amount applicable to construction period	$44,769.73
Miscellaneous charges during the years 1914 to 1919 inclusive, not considered to be proper charges to plant	9,734.80
	54,504.53
Less Profits and miscellaneous other credits erroneously included in the net total, treated as cost by the company	11,949.85
	$42,554.68

The miscellaneous charges considered improper include $8,412.89 for labor and $1,838 26 for insurance; the balance is represented by payment for services, expense accounts, and various other items. An analysis of improper charges has been appended to this report as Appendix I

The staffs have charged the amount eliminated from the electric plant accounts to Account 107, Electric Plant Adjustments.

ADJUSTMENT OF IMPROPER CHARGES TO INTANGIBLE PLANT - $(5,839.11)

Account 301, Organization, includes an item in the amount of $849.38, representing costs incurred in the sale of capital stock, properly includible in Account 151, Capital Stock Expense

Account 302, Franchises and Consents, includes items aggregating $4,989 73, representing costs incurred in certain property purchase investigations and other similar expenditures, improperly classified as costs of franchises and consents, which the examiners have adjusted to Account 107, Electric Plant Adjustments. An analysis of such charges has been appended to this report as Appendix II.

ADJUSTMENT OF UNSUPPORTED CHARGES TO INTANGIBLE PLANT - $(9,475.49)

Account 302, Franchises and Consents, includes certain estimates, aggregating $5,834.49, purporting to represent costs incurred in the acquisition of certain franchises within the company territory These estimates have been examined by the respective staffs, but no supporting evidence was found to indicate that the amounts were expended and capitalized in connection with the acquisition of franchises. An analysis of such unsupported estimates has been appended to this report as Appendix 111.

Account 303, Miscellaneous Intangible Plant, includes an item, in the amount of $2,141 representing an unidentified cost associated with the Bend electric system and taken from an appraisal by the Railroad Commission of Oregon. The examiners were unable to identify the item with the recorded cost of the Bend system.

Under Account 100.2, Electric Plant Leased to Others, there is contained in Account 302, Franchises and Consents, certain estimates, aggregating $1,500 purporting to represent costs incurred in the acquisition of franchises. No supporting evidence was found by the staffs to indicate that the amounts were expended and capitalized in connection with the acquisition of such franchises.

The aggregate of these unsupported charges to intangible plant, in the amount of $9,475.49, have been transferred to Account 107, Electric Plant Adjustments.

COSTS OF ORGANIZATION - $1,090.71

A statement furnished by American Power & Light Company in support of expenditures made by it in connection with certain properties sold to Pacific Power & Light Company in July 1910, includes expenditures totaling $1,090.71, which can be identified as representing costs incurred in the organization of Pacific Power & Light Company. Adjustment has been made by the staffs to establish this amount in Account 301, Organization, with a contra credit to Account 107, Electric Plant Adjustments

EXCESS OF BOOK COST OVER DETERMINED ORIGINAL COST - $(4,543,447.02)

The company arrived at estimated original cost of its electric plant, electric plant leased to others, other utility plant and other physical property at December 31, 1936, as outlined under resume of company study, and the aggregate estimated original cost of all such property so arrived at was exceeded by the recorded book cost in an amount of $9,703,139.95. This excess was allocated by the company as follows:

Account 100.5	Electric Plant Acquisition Adjustments	$1,260,400 00
Account 111	Investments in Associated Companies	1,209.612.71
Account 140	Unamortized Debt Discount and Expense	2,024 993 99
Account 151	Capital Stock Expense	35 160 34
Account 250.	Reserve for Depreciation	629,525.89
	Sub total	5,159,692.93
Balance arbitrarily allocated by the company to Account 100 1 Electric Plant in Service, within Account 303, Miscellaneous Intangible Capital		4.543,447 02
	Total	$9.703.139 95

With the exception of Capital Stock Expense, the amounts allocated have been predicated upon arbitrary and unsupported bases, without proper study of adjustments arising from the acquisition of operating units or systems, and constitutes a predisposition, on the part of the company, of amounts more properly includible in Account 107, Electric Plant Adjustments, pending approval of disposition by the Commissions

With respect to the amount of $4,543,447.02 allocated to Account 303, Miscellaneous Intangible Plant, representing an unidentified excess of book cost over determined original cost not allocated to other accounts, the company has offered no support for its inclusion in Account 100.1, Electric Plant In Service. The examiners have therefore transferred the amount allocated to Miscellaneous Intangible Plant, as well as other allocations, to Account 107, Electric Plant Adjustments.

TRANSFERS BETWEEN ACCOUNTS

Minor costs in connection with the water distribution system amounting to $77 70, included in the company's reclassification study under Account 100.3, Construction Work in Progress, have been transferred by the examiners to Account 108, Other Utility Plant.

The entire amount of $2,275 classified by the company as Account 100 4, Electric Plant Held for Future Use, is represented by the cost of easements acquired for a transmission line project which has not been carried out. Since there appears to be no definite plan for the future use of these easements, they have been transferred by the examiners to Account 110, Other Physical Property.

AMOUNTS REVERSED TO ACCOUNT 100 6, ELECTRIC PLANT IN PROCESS OF RECLASSIFICATION

Account 108, Other Utility Plant, as reclassified by the company, has established the cost of two water systems and a steam heating system on the basis of appraised reproduction values of plant acquired, as follows:

Appraised reproduction value of plants acquired	$166,080 79
Recorded costs of construction, less retirements	58,538 13
Estimated "Going Value" applicable to plants acquired	25,000 00
Total	$249,618 92

Pending a proper study and determination of cost of plant acquired, the examiners have transferred the amounts based on reproduction values and the estimated "Going Value", aggregating $191,080.79, to Account 100.6, Electric Plant in Process of Reclassification

Account 110, Other Physical Property, as reclassified by the company, contains the following items

Public Service Building, including land	$2,200,215 84
Various parcels of real estate	71,424 16
Condon oil tank and well	900 00
Total	$2,272,540 00

The values assigned to real estate and the oil tank and well, are predicated upon 1934 reproduction appraisals and improper estimates of cost Pending a proper study by the company of cost of plant acquired, the examiners have transferred these amounts, aggregating $72,324 16, to Account 100 6, Electric Plant in Process of Reclassification

In December 1932, the company retired its Fruitvale generating station and canal at $234,729.78. The company now finds that the canal is in use to supply irrigation water to a number of persons under contract, and proposes to establish an amount of $229,166 81 in Account 110, Other Physical Property, with a contra credit to Account 250, Reserve for Depreciation Since the original retirement was predicated upon reproduction values, the examiners, through Account 107, Electric Plant Adjustments, propose to credit Reserve for Depreciation, but have reinstated the property in Account 100.6, Electric Plant in Process of Reclassification, pending a proper determination of cost to the utility.

ACCOUNT 100 3, CONSTRUCTION WORK IN PROGRESS - $(77.70)

The amount reclassified by the company in Account 100.3, Construction Work in Progress, includes minor costs in connection with the water distribution system in the amount of $77 70, which the examiners have transferred to Account 108, Other Utility Plant.

ACCOUNT 100 4 ELECTRIC PLANT HELD FOR FUTURE USE $(2,275.00)

The amount classified by the company in Account 100.4, Electric Plant Held for Future Use, represents cost of easements acquired for a transmission line project which has not been carried out. According to advice from the company, there is no definite plan for the future use of the easements, the cost of which has therefore been transferred from Account 100 4, Electric Plant Held for Future Use, to Account 110, Other Physical Property.

ACCOUNT 100 5, ELECTRIC PLANT ACQUISITION ADJUSTMENTS $(1,260,400.00)

The amount of $1,260,400.00 classified by the company in Account 100.5, Electric Plant Acquisition Adjustments, represents an allocation of a portion of the excess of book cost over determined original cost, in the amount of $9,703,139.95, previously referred to

The amount so classified by the company purports to represent an estimated "Going Concern Value" in the amount of $1,000,000.00, and "enhanced structural value" of acquired properties between date of construction and date of acquisition in the amount of $260,400

The company submitted no supporting information with respect to the determination of the original cost of plant acquired as operating units or systems; neither did the company furnish data to indicate that a proper study had been made of the amounts of recorded costs properly includible in Account 100.5, Electric Plant Acquisition Adjustments The company made no determination of original cost of plant acquired by individual acquisitions to permit of the identification of purported cost to construct, with the original costs included in the determined original cost at January 1, 1937, and submitted no basis for its estimate of going concern value.

Pending the completion of a proper study by the company, the allocation of a portion of the excess of book cost over determined original cost to Account 100 5, Electric Plant Acquisition Adjustments, has been transferred to Account 107, Electric Plant Adjustments

ACCOUNT 100 6, ELECTRIC PLANT IN PROCESS OF RECLASSIFICATION - $492.571 76

There has been transferred to Account 100 6, Electric Plant in Process of Reclassification, an aggregate amount of $492,571 76 representing the following items, all of which have been previously explained

From Account 108, Other Utility Plant	
Purported cost of two water systems and one steam heat system, included estimated going value	$191.080 79
From Account 110, Other Physical Property	
Various parcels of real estate and Condon oil tank and well	72.324 16
Reinstatement of Fruitvale generating station and canal, previously retired but restored to service for irrigation purposes	229,166 81
	$492,571.76

These amounts have been reversed to Account 100 6, Electric Plant in Process of Reclassification, pending completion of a company study with respect to the determination of cost of plant acquired.

ACCOUNT 107, ELECTRIC PLANT ADJUSTMENTS $12 530 381 14

The company, in its reclassification study, credited Account 107, Electric Plant Adjustments, with an amount of $2,835,787.67 to offset the amounts added to plant accounts to effect a restatement of overheads The staffs have reversed the company's classification with respect to this item, and, in addition, have transferred to this account certain unsupported and improper reclassifications of recorded cost, all of which have previously been explained

The following is a summary of the adjustments reflected by the staffs in the account

Corrections of cost developed in connection with restudy of plant by company	$ 163 841 76
Reversal of amounts added to effect restatement of overheads	2.835 787 67
Adjustment of improper charges to production plant	42.554 68
Adjustment of improper charges to intangible plant	5 839 11
Adjustment of unsupported charges to intangible plant	9.475.49
Costs of organization reinstated	(1 090 71)
Excess of book cost over determined original cost	9.703.139.95
Fruitvale generating station and canal reinstated to service previously retired	(229.166 81)
Total Adjustments	$12.530.381 14

After giving effect to the above adjustments, a debit balance of $9,694,593 47 has been established in Account 107, Electric Plant Adjustments, by the examiners

ACCOUNT 108 OTHER UTILITY PLANT $(191 003 09)

There has been transferred from Account 108, Other Utility Plant, to Account 100 6, Electric Plant in Process of Reclassification, an amount of $191,080 79, representing certain reproduction values and estimated going concern value of water and steam heating systems. There has been transferred to Account 108, Other Utility Plant, from Account 100 3, Construction Work in Progress, an amount of $77 70.

ACCOUNT 110, OTHER PHYSICAL PROPERTY $(62,585 71)

There has been transferred from Account 110, Other Physical Property, to Account 100 6, Electric Plant in Process of Reclassification, an amount of $72,324.16, representing certain real estate parcels and a Condon oil tank and well

There has been transferred to Account 110, Other Physical Property, from Account 100 1, Electric Plant in Service, an amount of $7,463.45 as a result of a restudy of plant account by the company In addition, the entire amount of $2,275, representing easements having no definite plan for future use, has been transferred to Account 110, Other Physical Property, from Account 100.4, Property Held for Future Use

ACCOUNT 111 INVESTMENT IN ASSOCIATED COMPANIES $(1 209 612 71)

As elsewhere explained, in July 1930, the Pacific Power & Light Company acquired certain property and common capital stock of the Inland Power & Light Company from the American Power & Light Company, and recorded same in its plant account at $8,156,972.43 In its reclassification, the Pacific Power & Light Company reclassified $1,209,612.71 as its investment in the stock of Inland Power & Light Company. According to advice from the company, ". . . the difference between the total amount of Pacific Power & Light Company's securities issued and the cost of items received therefor, excluding the items of Inland Company common capital stock, amounted to $1,209,612 71, which sum, thus capitalized, was assumed to be the cost to Pacific Company for the common capital stock of Inland Company. . . . ." According to Exhibit 8 submitted to the Federal Power Commission in connection with the proposed merger of Inland Power & Light Company and Pacific Power & Light Company, Docket IT 6459, the cost of Inland Power & Light Company's stock to American Power & Light Company was $232,002 22, which would indicate that the difference, or $977,610 49, represents excess recorded in the plant account of Pacific Power & Light Company Inasmuch as the company has not furnished sufficient information to determine the propriety of the disposition of the amount recorded by it in connection with the acquisition of July 1930, involving purchase of plant and other assets as well as stock, the entire amount reclassified by the company in Account 111, Investment in Associated Companies, $1,209,612.71, has been transferred by adjustment to Account 107, Electric Plant Adjustments

ACCOUNT 140 UNAMORTIZED DEBT DISCOUNT AND EXPENSE $(2 024 993 99)

According to advice from the company the amount reclassified in this account represents discount and expense experienced by American Power & Light Company in disposing of bonds of Pacific Power & Light Company that were issued and delivered to the former by the latter in connection with the acquisition of properties and other assets.

As part of the consideration paid for certain plant and other assets acquired from American Power & Light Company in 1910, the Pacific Power & Light Company issued and delivered $3,200,000 principal amount of first mortgage bonds dated August 1, 1910, and due August 1, 1930. The latter recorded the cost of net assets acquired, as the face value of bonds and other considerations paid. During 1911 and 1912 the Pacific Power & Light Company issued and delivered $2,164,000 face value of similar bonds to American Power & Light Company for $1,883,965 The Pacific Power & Light Company recorded discount and expense of $280,035 in connection with the 1911 and 1912 transactions, and subsequently amortized the amount.

The American Power & Light Company disposed of the entire amount of Pacific Power & Light Company bonds received in 1910, 1911 and 1912 during the years 1911 and 1912 for $4,635,348.75. From the foregoing information, and as tabulated below, the Pacific Power & Light Company considered that bond discount and expense of $448,616.25 was capitalized and remained in the "Cost of Plant Purchased" account balance at January 1, 1937

PARTICULARS		AMOUNT
Bonds issued and delivered:		
1910	$3,200,000.00	$
1911 and 1912	2,164,000.00	5,364,000.00
Net proceeds received by American Power & Light Company		4,635,348.75
Total bond discount and expense		728,651.25
Less. Bond discount and expense amortized by Pacific Power & Light Company		280,035.00
Unamortized debt discount and expense		$ 448,616.25

In 1930 the Pacific Power & Light Company issued to American Power & Light Company first mortgage and prior lien gold bonds in principal amount of $17,000,000 in connection with the acquisition of Inland Power & Light Company securities and other net assets. American Power & Light Company immediately sold these bonds for $15,640,000. The Pacific Power & Light Company did not record any discount and expense in connection with the transaction. The company considered that $1,576,377.74 of debt discount and expense resulted from the transaction and that it was capitalized and remained in the plant account at January 1, 1937. The computation of the amount was as follows:

PARTICULARS	AMOUNT
Principal amount of bonds issued to American Power & Light Company in 1930	$17,000,000.00
Proceeds from sale thereof	15,640,000.00
Discount	1,360,000.00
Add Expense incurred by American Power & Light Company	87,627 74
Electric Bond & Share Company fee	128,750 00
Bond discount and expense capitalized	$ 1,576,377 74

As pointed out above the Pacific Power & Light Company did not record debt discount and expense in connection with the transactions previously mentioned, so that in effect, the company's reclassification of an amount to Account 140, Unamortized Debt Discount and Expense,

involves a predisposition of a portion of an unidentified excess of recorded cost over determined original cost of electric plant. The staffs have therefore transferred the entire amount, $2,024,993.99, to Account 107, Electric Plant Adjustments.

ACCOUNT 151 CAPITAL STOCK EXPENSE $(35,160.34)

The amount of $35,160.34, classified by the company in Account 151, Capital Stock Expense, represents an allocation of a portion of the excess of book cost over determined original cost.

In accordance with the instruction contained in balance sheet Account 107, Electric Plant Adjustments, the examiners have transferred the amount to that account pending approval by the Commission of its disposition.

ACCOUNT 250 RESERVE FOR DEPRECIATION - $(629,525.89)

The amount of $629,525.89, classified by the company as a charge to Account 250, Reserve for Depreciation, represents an allocation of the excess of book cost over determined original cost.

This allocation has been predicated by the company on a correction of prior period underretirements in connection with certain plant sold or otherwise removed from the service The following is a summary analysis of the company's development of the transfer showing the amounts associated with the various types of utility plant and "going value" purporting to be underretired.

Gas Property		$196,761.41
Water Property		69,788.93
Street Railway Property		92,802.55
Electric Plant.		
Mill Creek Hydro Generating Station	$44,414.00	
Toppenish Steam Generating Station	5,759.00	50,173.00
Total		409,525.89
Going Value attached to above properties acquired from predecessors and paid for by Pacific Power & Light Company		220,000.00
Total		$629,525.89

The values used are predicated primarily upon reproduction costs, while going value appears to have been a judgment figure. The company's reclassification presumes the existence of a reserve for the retirement of book cost of the various classes of utility property involved, whereas analyses furnished by the company indicates insufficient provision in prior years to take care of the proposed retirement of non-electric property

While it is recognized that adjustment should be made with respect to prior period retirements, exception is taken to the basis used by the company for establishing the amount and to the lack of proper study for the determination of the original cost of acquired property

Therefore, in accordance with the instructions contained in balance sheet Account 107, Electric Plant Adjustments, the examiners have transferred the amount of $629,525.89 to that account

FEES PAID TO AFFILIATES

From 1910 to 1929 the Pacific Power & Light Company had a contractual arrangement with the American Power & Light Company whereunder that company agreed to furnish or cause to be furnished, engineering services and advice with relation to consultation regarding proposed engineering and construction work, preparation of plans and specifications, making of contracts, inspection, supervision and approval of all construction and reconstruction work, making reports in connection with examination and acquisition of properties, and furnishing other services and advice as might be requested in connection with construction, reconstruction, and preservation of the properties of the Pacific Power & Light Company For this service the American Power & Light Company was to receive ten per cent of all additions to property except real estate, small transformers, meters and meter connections, transportation equipment, and other minor items As a result of this arrangement, the American Power & Light Company received, from the Pacific Power & Light Company and affiliated companies, approximately $1,400,000

During the period from 1929 to 1934 the Pacific Power & Light Company charged to a construction engineering apportionment account a portion of a fee, based on gross revenue, paid to Electric Bond & Share Company. Such portion of a fee amounted to approximately $144,000 During this period also, fees were paid to the Phoenix Utility Company, and some engineering charges received from Northwestern Electric Company which contained a portion of engineering fees Also, the costs of some properties received from the Inland Power & Light Company contained engineering fees.

The fees contained in the company's statement of original cost are in part from books of account and in part are included in over-all percentages for overhead applied to certain distribution and general accounts.

From information secured during the examination it appears that the company's original cost of electric plant contains approximately the following fees $850,000 American Power & Light Company, and $70,000 Electric Bond & Share Company for property in service; $100,000 American Power & Light Company and $14,000 Electric Bond & Share Company for leased property, due to such fees having been taken from cost records or included in flat percentages for overhead.

In view of the fact that the profit included in the electric plant accounts through these fees can only be obtained from extensive analysis of the books and records of the affiliated companies, which analysis is beyond the scope of this examination, it has been concluded to recommend that the fees be permitted tentatively to remain in electric plant accounts subject to such further consideration as may be deemed to be warranted at any time in the future

ORIGINAL COST OF PRODUCTION AND TRANSMISSION PLANT

PRODUCTION PLANT

The company's production plant includes one steam electric station and eight hydro electric stations

STEAM ELECTRIC STATION

The original cost and certain statistical data relative to the company's Astoria Station located at Astoria, Oregon, is as follows

Date of Original Construction	1921
1st Unit Nameplate Generating Capacity - kw	3,000
Date of Addition	1925
2nd Unit Nameplate Generating Capacity - kw	5,000
Present Nameplate Generating Capacity kw	8,000

ACCOUNT		AMOUNT
310	Land and Land Rights	$ 23.877.45
311	Structures and Improvements	345.078 30
312	Boiler Plant Equipment	377.863 31
314	Turbo Generator Units	287,583 64
315	Accessory Electric Equipment	36 581.65
316	Miscellaneous Power Plant Equipment	2.783 94
	Total Steam Production	$1,073,768.29

HYDROELECTRIC GENERATING STATIONS

A tabulation of the name, installation date, and original cost of the various stations owned and operated by the company at January 1, 1937, is presented on the following page. All of the stations function as "run of the river" plant and therefore have no storage reservoir facilities.

HYDRAULIC ELECTRIC GENERATING STATIONS

	Total kw	Washington					Oregon															
		Total kw	Naches Date	Naches kw	Naches Drop Date	Naches Drop kw	Total kw	Walla Walla River Date	Walla Walla River kw	Tygh Valley Date	Tygh Valley kw	Powerdale Date	Powerdale kw	Joseph Date	Joseph kw	Wallowa Falls Date	Wallowa Falls kw	Bend Date	Bend kw	Cline Falls Date	Cline Falls kw
Date of Installation and Capacity																						
1st Unit		2150	1906	750	1914	1400	7200	1904	500	1902	500	1923	6000	1909	(1)	-	(2)	1910 1913	(3) 200	1906	(4)
2nd Unit		3000	1909	3000	-	-	2500	1909	500	1902	500	-	-	1929	1000	-	-	1916	350	1913	150
3rd Unit		3370	1913	3370	-	-	2310	1909	500	1912	1250	-	-	-	-	-	-	1917	560	-	-
4th Unit		-	-	-	-	-	937	1911	937	-	-	-	-	-	-	-	-	-	-	-	-
Present Nameplate Capacity	21467	8520		7120		1400	12947		2437		2250		6000		1000		-		1110		150
Operating Heads				150 ft.		52 ft.			372 ft.		127 ft.		180 ft.		153 ft.		-		15 ft.		28 ft.
Title of Account																						
320. Land and Land Rights	$ 244,293.97	$ 72,807.60	$ 69,012.40	$ 3,795.40			$ 171,486.17	$ 14,566.45		$ 9,545.72		$ 108,435.10		$ 18,277.02		$ 2,581.18		$ 18,080.70		$ -		
321. Structures and Improvements	404,007.00	89,346.30	62,738.57	26,607.73			314,660.70	53,780.75		40,469.23		164,624.71		21,422.13		11,377.64		17,669.74		6,418.50		
322. Reservoirs, Dams, and Waterways	2,743,326.25	898,638.72	844,448.23	54,190.49			1,844,687.53	443,089.45		101,132.32		1,168,382.79		60,141.93		-		65,824.92		6,116.12		
323. Water Wheels, Turbines, and Generators	505,224.29	170,931.58	115,565.71	55,375.87			334,292.71	47,747.62		59,535.58		141,980.92		31,846.82		-		47,205.31		5,976.46		
324. Accessory Electric Equipment	84,985.40	13,230.28	11,169.73	2,060.55			71,755.12	9,613.09		7,041.10		41,556.31		5,301.24		-		7,748.84		494.54		
325. Miscellaneous Power Plant Equipment	19,527.34	4,601.09	3,533.91	1,267.18			14,726.26	2,067.43		1,642.71		8,568.70		1,513.20		26.07		496.43		411.71		
326. Roads, Railroads, and Bridges	4,571.74	554.06	554.06	-			4,017.68	90.63		348.41		3,404.24		-		-		174.40		-		
Total	$4,005,935.99	$1,250,309.83	$1,107,012.61	$143,297.22			$2,756,626.16	$570,955.42		$219,715.07		$1,636,952.77		$138,502.34		$13,984.89		$157,100.34		$18,415.33		

Notes:

(1) The original 225 kw unit at Joseph Station retired 1928.
(2) Wallowa Falls item represents cost of land, operators' cottages, etc. The Wallowa Falls station is a licensed project owned and operated by Inland Power & Light Company, a subsidiary company.
(3) The 150 kw unit installed in 1910 was removed in 1913.
(4) Original 75 kw unit at Cline Falls removed in 1913. 150 kw unit replaced in 1921 because of fire.

TRANSMISSION LINES IN SERVICE AT JANUARY 1, 1937

Title of Line	Description: Voltage kv	Length (Miles)	Type of Pole or Tower	Principal Kind and Size of Conductor	Total	Account 340, Land and Land Rights	Account 341, Clearing Land and Rights-of-way	Account 344, Towers and Fixtures	Account 345, Poles and Fixtures	Account 346, Overhead Conductors and Devices	Account 348, Underground Conductors and Devices
Located in Washington:											
Naches-Yakima-Pasco	66	115.21	Wood Pole	1/0 Cu.	$ 376,607.50	$ 25,588.95	$ 639.83	$ 8,624.09	$ 138,545.54	$ 203,409.09	$ -
Yakima-Hanford	66	65.84	" "	2/0 Cu.-3/0 Cu.	223,307.76	4,164.65	-	-	75,515.61	143,627.50	-
White Bluffs Tap	66	2.72	" "	6 Cu. Clad	5,412.41	693.86	-	-	2,771.48	1,947.07	-
Pasco-Hanford	66	36.11	" " H Frame	4/0 Al.- /0 Cu.	106,377.25	4,104.89	-	5,117.17	36,505.13	60,650.06	-
Pasco-Lind	66	66.17	" "	-	314,850.20	27,046.16	-	-	80,901.29	206,602.75	-
Pasco-Pendleton	66	24.08	" "	1/0 Cu.	91,441.26	8,302.65	61.79	7,584.57	25,222.56	50,269.69	-
Hanford-Taunton	110	15.36	" " H Frame	1/0 Cu.	57,992.33	4,644.09	-	6,506.38	15,230.99	31,610.87	-
Pasco-Walla Walla	66	45.39	" "	1 Cu.	115,758.51	9,045.24	76.49	9,609.65	41,648.57	55,378.56	-
Walla Walla-Pomeroy	66	65.38	" "	1/0 Cu.	234,424.20	22,583.66	78.77	-	90,284.88	121,476.89	-
Pendleton-Walla Walla	66	5.66	" "	1/0 Cu.	32,555.46	2,742.44	-	-	14,663.82	15,149.20	-
Wood River-Condit	66	5.55	" "	1/0 Cu.	91,538.94	3,439.78	4,459.04	45,015.05	15,384.04	23,241.03	-
The Dalles-Goldendale	11	18.20	" "	6 and 4 Cu.	34,165.23	977.69	-	-	17,081.25	16,106.29	-
Union Gap-Condit	66	75.62	" " H Frame	250 MCM Cu.	577,674.27	73,331.37	80,601.40	-	117,212.12	306,529.38	-
Total in Washington		531.28			2,262,305.32	186,965.43	85,917.32	82,456.91	670,967.28	1,235,998.38	-
Located in Oregon:											
Pasco-Pendleton	66	38.43	Wood Pole	1/0 Cu.	158,220.55	11,316.12	-	27,403.61	41,058.03	78,442.79	-
Pendleton-Walla Walla	66	37.34	" "	1/0 Cu.	166,852.90	13,844.33	87.24	-	70,834.46	82,086.87	-
Walla Walla River-Freewater	22	8.50	" "	1/0 Cu.	36,054.73	3,659.28	-	-	16,237.38	16,158.07	-
Wood River-Odell	66	6.16	" "	1/0 Cu.	30,694.67	2,960.16	1,023.48	-	11,873.20	14,837.83	-
The Dalles-White River	66	26.36	" "	3-8 Cu. Clad	57,796.62	5,766.62	-	-	22,300.27	29,728.83	-
The Dalles-Wood River	66	21.32	" "	1/0 Cu.	97,944.73	16,982.01	6,619.94	-	33,283.96	41,158.82	-
Wood River-Condit	66	2.18	" "	1/0 Cu.	34,824.67	2,576.46	2,737.78	12,175.85	9,360.94	7,973.64	-
The Dalles-Goldendale	11	11.61	" "	4 Cu.	26,899.49	3,290.88	-	-	12,068.50	11,540.11	-
Dufur-Ione	22	129.58	" "	2 ACSR-1/0 ACSR	290,620.99	19,710.56	60.81	-	156,946.87	113,902.75	-
Ione-Heppner	11	17.63	" "	4 Cu.	22,113.75	219.08	-	-	12,868.63	9,026.04	-
Astoria-Seaside	22	18.30	" "	1/0 Cu.	83,125.37	11,361.36	5,043.54	-	35,707.81	25,877.01	5,115.65
Wallowa Falls-Joseph	11	6.68	" "	4 Cu.	10,461.18	272.95	1,522.17	-	4,827.67	3,838.39	-
Joseph-Wallowa	11	24.73	" "	6 Cu.	29,524.17	1,115.29	-	-	17,562.60	10,846.28	-
Bend-Redmond	22	16.87	" "	1/0 Cu.	47,968.72	3,121.43	110.94	-	22,336.22	22,400.13	-
Cove-Redmond	22	28.32	" "	1/0 Cu.	56,836.15	1,879.39	-	-	26,190.90	28,765.86	-
Cove-Prineville-Redmond	22	66.58	" "	1/0 Cu.	102,027.61	3,223.75	-	-	61,863.12	36,940.74	-
Total in Oregon		454.37			1,251,965.30	101,319.67	17,106.90	39,579.46	555,320.56	533,524.16	5,115.65
TOTAL		985.65			$3,514,270.62	$288,285.00	$103,023.22	$122,036.37	$1,226,287.84	$1,769,522.54	$5,115.65

TRANSMISSION SUBSTATION PLANT

Name of Substation	Function	Capacity kva	High Voltage	Low Voltage	Cost			
					Total	Account 340, Land and Land Rights	Account 342, Structures & Improvements	Account 343, Station Equipment
Located in State of Washington:								
•Wachee	Step-up	10,125	66,000	2,300	$ 62,952.07	$ -	$ -	$ 82,952.07
•Wachee Drop	Step-up	1,500	66,000	2,300	21,146.96	-	-	21,146.96
Pasco (1)	Switching	-	-	-	237,040.69	16,831.81	53,083.60	167,125.28
Hanford	Step-down	19,000	110,000	66,000	190,387.17	2,060.00	22,512.48	165,814.69
Taunton	Interchange	-	-	-	12,000.73	-	-	12,000.73
Lind	Interchange	9,000	110,000	66,000	95,111.61	3,272.59	4,200.91	87,638.11
Fruitdale	Switching	-	-	-	29,454.42	-	-	29,454.42
Walla Walla	Switching	-	-	-	56,203.90	-	-	56,203.90
Union Gap (2)	Switching	-	-	-	236,689.45	8,241.81	35,624.59	192,823.05
Condit	Interchange	-	-	-	28,610.29	-	322.20	28,288.09
Total State of Washington					969,596.29	30,406.21	115,743.78	823,446.30
Located in State of Oregon:								
•Powerdale	Step-up	7,500	66,000	6,900	71,998.90	-	-	71,998.90
•Walla Walla River	Step-up	2,260	22,000	2,300	13,371.97	-	-	13,371.97
•Tygh Valley	Step-up	3,000	66,000	2,300	18,407.17	-	-	18,407.17
•Joseph (3)	Step-up	1,200	11,000	2,300	11,255.77	-	-	11,255.77
•Bend	Step-up	900	22,000	2,300	10,215.25	-	-	10,215.25
•Cline Falls	Step-up	150	6,600	2,300	1,581.90	-	-	1,581.90
•Astoria	Step-up	3,000	22,000	11,000	88,410.59	-	-	88,410.59
Troewater	Step-up	2,500	66,000	22,000	42,411.10	1,465.87	8,906.75	32,038.48
Ione	Step-down	600	22,000	11,000	6,146.31	218.71	141.76	5,785.84
Olex	Switching	-	-	-	8,230.76	288.01	1,234.11	6,708.64
Dufur	Step-down	1,000	66,000	22,000	22,530.97	-	-	22,530.97
De Moss	Switching	-	-	-	862.98	-	-	862.98
Total State of Oregon					295,423.67	1,972.59	10,282.62	283,168.46
TOTAL COMPANY					$1,265,019.96	$32,378.80	$126,026.40	$1,106,614.76

•Substation located at generating station.
(1) Pasco Substation includes cost of a 5,000 kva Synchronous Condenser.
(2) Union Gap Substation includes the cost of a 10,000 kva Synchronous Condenser.
(3) Transformers designed for 22,000 volt high voltage but were connected for 11,000 volt operation as of December 31, 1936.

RECOMMENDATIONS AS TO DISPOSITION OF AMOUNT IN ACCOUNT 107 ELECTRIC PLANT ADJUSTMENTS

The company, in its original cost study, has established in Account 107, Electric Plant Adjustments, a credit balance in the amount of $2,835,787 67. After giving effect to the adjustments of the examiners, the balance in this account reflects a debit balance of $9,694,593.47, consisting of the following items:

Corrections of costs developed in connection with restudy of plant by the company	$ 163,841 76
Adjustment of unsupported charges to intangible plant	9,175 49
Costs of organization reinstated	(1,090 71)
Excess of book cost over determined original cost	9,703,139 95
Sub total	9,875,366 49
Adjustment of improper charges to production plant	42,554 68
Adjustment of improper charges to intangible plant	5,839 11
Fruitvale generating station and canal restored to service, previously retired	(229,166 81)
Total	$9,694,593 47

For the purpose of this report, the examiners have considered the aggregate amount of $9,875,366 49, represented by adjustments to the company's December 31, 1936 priced inventory and the excess of book cost over company determination of original cost, to be the adjusted difference between utility plant as carried on the books at December 31, 1936 and the determined original cost as of the same date. Certain additional studies which the staff recommends be made by the company will result in minor differences in this amount.

The base of the determination of original cost being predicated on a physical inventory as of December 31, 1936, as modified by certain estimated cost of construction schedules, the constituent elements which result in this difference have not been definitely ascertained. The difference is believed attributable to associated company profits; to excesses of purchase price over original cost paid at arm's length for certain acquired properties; to the failure to record properly certain retirements of property, to the inclusion therein of certain capital stock expense and discount on bonds, and to the inclusion of certain investments in the stock of affiliated companies.

The company, in its report, has attempted to recognize certain of these elements by an apportionment of the unadjusted excess to other balance sheet accounts. It is the opinion of the examiners, however, that the basis on which the company has predicated this apportionment is without support, arbitrary, and made without a proper study of the original cost of properties acquired.

The examiners have reversed such apportionments to Account 107, Electric Plant Adjustments, with a recommendation that the company immediately institute such studies of property acquisitions as will permit a proper allocation and disposition of the amount of $9,875,366 49 established in this account.

It is further recommended by the examiners that the amount of $42,554.68, representing improper charges to production plant, be charged to Account 271, Earned Surplus; that the amount of $5,839 11, representing improper charges to intangible plant be disposed of by charges of $849.38 to Account 151, Capital Stock Expense, and $4,989.73 to Account 271, Earned Surplus.

The amount of $229,166.81, representing the recorded retirement of the Fruitvale generating station and canal, should be retained in Account 107, Electric Plant Adjustments, until proper classification is made of the contra amount established in Account 100.6, Electric Plant in Process of Reclassification, through the medium of a proper study by the company of cost of plant acquired.

The examination indicated that the company was deficient in its studies with respect to the determination and reclassification of cost of land and land rights as provided in the Uniform System of Accounts, Electric Plant Instruction 9-E. Although adjustment has been made in this report to reflect overall costs of electric plant land owned in fee, no attempt has been made to assemble costs by parcels. Amounts classified by the company as representing costs of rights-of-way were, in many cases, found to be based on 1934 reproduction values. It is recommended that the company immediately institute such studies as will permit conformance to Instruction 9-E.

BALANCE SHEET AS OF JANUARY 1, 1937

Schedule III is a balance sheet of Pacific Power & Light Company as of January 1, 1937, before reclassification, together with the company's reclassification adjustments; also the proposed adjustments of the Commission staffs and the balance sheet after reflecting such adjustments.

PACIFIC POWER & LIGHT COMPANY

Balance Sheet - January 1, 1937
(Setting forth amounts as shown by the Company's Reclassification Statement "G", and reflecting adjustments of the Staffs of the Federal Power Commission and Public Utilities Commissioner of Oregon)

ASSETS AND OTHER DEBITS	Per Company's Reclassification - Statement "G" Before Reclassification Adjustments	Reclassification Adjustments	After Adjustments	Per Staffs of Federal Power Commission and Public Utilities Commissioner of Oregon Proposed Adjustments	As Adjusted
Utility Plant					
100. Electric Plant					
100.1 Electric Plant in Service	$ -	$ 26,925,615.20	$26,925,615.20	$(7,469,467.68)	$19,466,147.54
100.2 Electric Plant Leased to Others	-	2,091,654.83	2,091,654.83	(147,850.81)	1,943,804.02
100.3 Construction Work in Progress	-	87,906.66	87,906.66	(77.70)	87,828.96
100.4 Electric Plant Held for Future Use	-	2,276.00	2,276.00	(2,276.00)	-
100.5 Electric Plant Acquisition Adjustments	-	1,260,400.00	1,260,400.00	(1,260,400.00)	-
100.6 Electric Plant in Process of Reclassification	33,953,615.86	(33,963,615.86)	-	492,571.76	492,571.76
Total Electric Plant	33,953,615.86	(3,585,664.18)	30,367,851.68	(8,377,499.41)	21,990,352.27
107. Electric Plant Adjustments	-	(2,835,787.67)	(2,835,787.67)	12,630,381.14	9,894,693.47
108. Other Utility Plant	-	249,618.92	249,618.92	(191,003.09)	58,615.83
Total Utility Plant	33,953,615.86	(6,171,832.93)	27,781,682.93	3,961,878.64	31,743,561.57
Investment and Fund Accounts					
110. Other Physical Property	-	2,272,540.00	2,272,540.00	(62,585.71)	2,209,954.29
111. Investments in Associated Companies	8,009,700.00	1,209,612.71	9,219,312.71	(1,209,612.71)	8,009,700.00
112. Other Investments	38,800.63	-	38,800.63	-	38,800.63
Total Investment and Fund Accounts	8,048,500.63	3,482,152.71	11,530,653.34	(1,272,198.42)	10,258,454.92
Current and Accrued Assets					
120. Cash	445,264.95	-	445,264.95	-	446,264.96
121. Special Deposits	918.00	-	918.00	-	918.00
122. Working Funds	13,505.00	-	13,505.00	-	13,505.00
124. Notes Receivable	27,507.02	-	27,507.02	-	27,507.02
126. Accounts Receivable	742,681.56	-	742,681.56	-	742,681.56
126. Receivables from Associated Companies	40,437.63	-	40,437.63	-	40,437.63
128. Interest and Dividends Receivable	1,648.76	-	1,648.76	-	1,648.76
131. Materials and Supplies	266,595.69	-	266,596.69	-	266,695.89
132. Prepayments	28,803.65	-	28,803.65	-	26,803.65
Total Current and Accrued Assets	1,665,382.26	-	1,565,362.26	-	1,666,362.26
Deferred Debits					
140. Unamortized Debt Discount and Expense	151,127.10	2,024,993.99	2,178,121.09	(2,024,993.99)	151,127.10
145. Other Work in Progress	23,940.90	-	23,940.90	-	23,940.90
148. Other Deferred Debits	7,893.31	-	7,893.31	-	7,893.31
Total Deferred Debits	182,961.31	2,024,993.99	2,207,956.30	(2,024,993.99)	182,961.31
Capital Stock Discount and Expense					
151. Capital Stock Expense	-	35,160.34	35,160.34	(35,160.34)	-
Consignments (contra)	6,982.66	-	6,982.66	-	6,982.66
Reacquired Securities					
162. Reacquired Capital Stock	167,600.00	-	167,600.00	-	167,600.00
Total Assets and Other Debits	$43,924,922.72	$(629,525.89)	$43,295,396.83	$ 629,526.89	$43,924,922.72

LIABILITIES AND OTHER CREDITS					
Capital Stock					
200. Common Capital Stock	$ 7,000,000.00	$ -	$ 7,000,000.00	$ -	$ 7,000,000.00
201. Preferred Capital Stock	6,868,500.00	-	6,868,500.00	-	6,868,500.00
Total Capital Stock	13,868,500.00	-	13,868,500.00	-	13,868,500.00
Long-Term Debt					
210. Bonds	20,500,000.00	-	20,500,000.00	-	20,500,000.00
212. Advances from Associated Companies	3,194,500.00	-	3,194,500.00	-	3,194,500.00
Total Long-Term Debt	23,694,500.00	-	23,694,500.00	-	23,694,500.00
Current and Accrued Liabilities					
222. Accounts Payable	93,481.96	-	93,481.96	-	93,481.96
223. Payables to Associated Companies	29,584.04	-	29,584.04	-	29,584.04
226. Matured Interest	485.00	-	485.00	-	485.00
227. Customers' Deposits	261,521.87	-	261,521.87	-	261,521.87
228. Taxes Accrued	567,326.71	-	567,325.71	-	567,325.71
229. Interest Accrued	427,083.34	-	427,083.34	-	427,083.34
230. Other Current and Accrued Liabilities	5,302.66	-	5,302.66	-	5,302.66
Total Current and Accrued Liabilities	1,384,784.57	-	1,384,784.67	-	1,384,784.57
Deferred Credits					
242. Other Deferred Credits	17,168.80	-	17,168.80	-	17,168.80
Reserves					
250. Reserve for Depreciation	3,078,163.34	(629,525.89)	2,448,637.45	629,525.89	3,078,163.34
254. Reserve for Uncollectible Accounts	94,303.96	-	94,303.96	-	94,303.96
255. Insurance Reserve	4,000.00	-	4,000.00	-	4,000.00
256. Injuries and Damages Reserve	10,154.13	-	10,154.13	-	10,154.13
258. Other Reserves	170,324.68	-	170,324.68	-	170,324.68
Total Reserves	3,356,946.10	(629,525.89)	2,727,420.21	629,525.89	3,356,946.10
Consignments (contra)	6,982.66	-	8,982.66	-	8,982.66
Contributions In Aid Of Construction					
266. Contributions in Aid of Construction	11,896.16	-	11,896.16	-	11,896.16
Surplus					
271. Earned Surplus	1,584,144.44	-	1,584,144.44	-	1,584,144.44
Total Liabilities and Other Credits	$43,924,922.72	$(629,525.89)	$43,295,396.83	$ 629,526.89	$43,924,922.72

The foregoing discussions and recommendations reflect the staffs' interpretation of information obtained through an examination of the Pacific Power & Light Company's original cost statements, supporting schedules and pertinent books, records, contracts and other documents. The examination was made at the company's offices in Portland, Oregon.

PUBLIC UTILITIES COMMISSIONER
OF OREGON

J. W. Pentney, *Senior Accountant*

FEDERAL POWER COMMISSION

J. J. O'Neil, *Chief Examiner of Accounts*

J. H. Flynn, *Chief Examiner of Accounts*

R. L. Bertolacci, *Engineer*

APPROVED:

J. L. Kennedy, *Chief Accountant*

APPROVED:

Melwood W. Van Scoyoc, *Chief*
Division of Original Cost

Chas. W. Smith, *Chief*
Bureau of Accounts, Finance and Rates

June 21, 1941

PACIFIC POWER & LIGHT COMPANY

APPENDIX

Improper Charges to Production Plant

Account 322 - Reservoirs, Dams and Waterways

Account Reference	Particulars	Total Amount	1914	1915	1916	1917	1918	1919
XXXV - B-1-9-2	Repairs to bridge	$ 8.75	$ 8.75	-	$ -	$ -	$ -	$ -
XXXV - C-2-a	Loss on wood stave lumber	107.77	107.77	-	-	-	-	-
XXXV - C-2-a	Expense and fee of F. M. Baum re sale wood stave lumber to Phoenix	240.21	-	240.21	-	-	-	-
XXV - E-7-d-2	Repairs to bridge	6.05	6.05	-	-	-	-	-
XXXVIII - A-1-c-4	A. H. Rouget, expense account	5.75	-	-	-	5.75	-	-
XXXIX - B-3-e-2	Repair windows	1.80	1.80	-	-	-	-	-
CLXXXI - B	Hay for mules	4.75	4.75	-	-	-	-	-
CLXXXI - C	Rebuild shed and expense account	8.00	-	-	8.00	-	-	-
CLXXXI - E	Freight on material sold	22.39	-	-	-	-	-	22.39
CLXXXI - F	A. Rogers, expense account	6.00	-	-	-	6.00	-	-
CLXXXI - F	R. J. Jenks, payroll	55.00	-	-	-	55.00	-	-
CLXXXI - F	C. S. Knowles, payroll and expense account	292.02	-	-	-	292.02	-	-
CLXXXI - F	B. S. Bishop, expense account	7.15	-	-	-	7.15	-	-
CLXXXI - F	Repairs to material sold	86.48	-	-	-	86.48	-	-
CLXXXI - F	A. H. Rouget, expense account	10.00	-	-	-	-	-	10.00
CLXXXI - F	Rewind 20 H.P. motor, etc.	360.05	-	-	-	-	-	360.05
CLXXXI - G	A. Rogers, payroll and expense account	18.75	4.15	-	14.60	-	-	-
CLXXXI - G	W. A. Long, payroll and expense account	48.80	-	-	48.80	-	-	-
CXCI - B-1	A. Rogers, repair roof	16.51	-	8.50	-	8.01	-	-
CXCV - B	Payroll (probably watchman) expense	4,812.89	(1913) 150.00	-	-	-	-	-
			975.00	900.00	900.00	907.82	980.07	-
CXCV - S	Miscellaneous expenses	344.15	112.05	54.46	47.93	53.62	65.69	10.40
CXCVI - A	F. M. Baum, services September	127.50	127.50	-	-	-	-	-
CXCVI - B	Office payroll	112.07	63.77	-	-	48.30	-	-
CXCVI - E	Insurance on camp	1,838.26	-	542.80	495.46	437.50	362.50	-
CXCV - S	Rent, telephone, advertising, etc.	308.72	6.55	177.50	3.85	116.27	4.55	-
CXCVIII	Engineering fee - 10% of above	884.98	156.82	192.35	151.86	202.39	141.28	40.28
	Total	$9,734.80	$1,724.96	$2,115.82	$1,670.50	$2,226.31	$1,554.09	$ 443.12

IMPROPER CHARGES TO INTANGIBLE PLANT

ACCOUNT 302, FRANCHISES AND CONSENTS

Amounts from new property investigations:

1911		
May 31	Walla Walla Vo. 1307	$ 41.40
May 31	Kennewick Vo. 304	.75
May 31	J. 514	(48.25)
May 31	J. 514	(48.25)
May 31	J. 514	(3.00)
May 31	Vo. 1197	73 50
May 31	Vo. 1201	13 70
May 31	Vo. 1255	1,126.85
June 30	Vo. 1377	.60
June 30	Vo. 1403	2.00
June 30	Vo. 1405	.40
June 30	Vo. 1406	.05
June 30	Vo. 1408	.09
June 30	Vo. 1451	1.40
June 30	Vo. 1451	3 15
June 30	Vo. 1451	.45
June 30	Vo. 1506	1 20
June 30	Vo. 1506	4 20
June 30	J. 632	39 35
June 30	J. 647 Feb. Vo. 708 & 776	53.82
June 30	J. 647) Portland Vo.,	59.38
June 30	J. 647) 1201, 1205,	80.35
June 30	J. 647) 1213, 1214,	126.70
June 30	J. 647) 1217, 1227,	67.05
June 30	J. 647) and 1229	80.35
Sept.	Vo. 57	25.20
Nov.	Vo. 1952	1.82
Nov.	Vo. 1952	.52

Amounts from I. R. No. 258:

Vo. 2096		2.25
Pasco	Vo. 459	1 25
Portland	Vo. 2197	9.20
Portland	Vo. 2071	6 90
General	Vo. 22	7.85
General	Vo. 23	2 00
General	Vo. 24	3 85
Portland	Vo. 2208	26 97
Portland	Vo. 2208	26.98
Portland	Vo. 2120	40.40

IMPROPER CHARGES TO INTANGIBLE PLANT

ACCOUNT 302, FRANCHISES AND CONSENTS

(Continued)

Amounts from I. R. No. 258: (Continued)		
Portland Vo. 2119		$ 11.00
Pomeroy Vo. 104		2.00
Vo. 2035		99.60
Vo. 2037		21.55
Vo. 2152		5.40
Vo. 2190		14.12
General Vo. 19		14.60
Portland Vo. 99		1.05
Portland Vo. 100		9.65
General Vo. 33		20 00
General Vo. 42		18.15
Vo. E 2329a		.86
Vo. E 2329D	$ 70.97	
Vo. E 2329F	421.13	
	492.10	
Prorated		176.27
Amounts from legal expense on titles, etc.:		
Nov. 1, 1911 Portland Vo. 2059 to Carey & Kerr		1,950.00
4-a Const. Vo. 793		17.80
9-a Portland Vo. 66		150.80
15-c General Vo. 81		7.00
15-a General Vo. 81		22.55
15-a J. E. 33 - 1912		(.70)
15-a J. E. 1166		615.60
Total		$4,989.73

UNSUPPORTED CHARGES TO INTANGIBLE PLANT

ACCOUNT 302, FRANCHISES AND CONSENTS

Freewater	$ 250.00
Pendleton	500.00
Adams (added to actual to make $150)	147.21
Helix	136.00
Pilot Rock	150.00
The Dalles	500.00
Dufur	250.00
Astoria (added to actual to make $1,000)	741.13
Warrenton	250.00
Hammond (added to actual to make $150)	130.15
Gearhart	150.00
Bend	1,000.00
Redmond	250.00
Deschutes County Rural	20.00
Madras	150.00
Wallowa County Rural	20.00
Umatilla County Rural	140.00
Clatsop County Rural	20.00
Fossil	150 00
Ione	150.00
Lexington	150.00
Moro	150.00
Wasco	150.00
Morrow County Rural	60.00
Sherman County Rural	20.00
Wasco County Rural	180.00
Wheeler County Rural	20.00
Total	$5,834.49

The above amounts represent unsupported estimates, some of which pertain to franchises apparently acquired by predecessors, but also include estimates that appear to be in connection with franchises acquired by the company itself. There is no detail to support the estimates as reflecting amount actually in connection with the procurement of the franchises.

PACIFIC POWER & LIGHT COMPANY

RECLASSIFICATION OF ELECTRIC PLANT

Prepared pursuant to
Uniform System of Accounts—Electric Plant Accounts Instruction 2-D
and to Order of May 11, 1937, of Federal Power Commission

Revised Statement B
Revised Statement E
Revised Statement F
Revised Statement G
Revised Statement H
Revised Statement I

With Introductory and Explanatory Statement

FEDERAL POWER COMMISSION—DOCKET NO. IT-5611

PORTLAND, OREGON
September 26, 1941

PACIFIC POWER & LIGHT COMPANY

Reclassification of Electric Plant

Prepared pursuant to

Uniform System of Accounts - Electric Plant Accounts Instruction 2-D

and to Order of May 11, 1937, of Federal Power Commission

Revised Statement B

Revised Statement E

Revised Statement F

Revised Statement G

Revised Statement H

Revised Statement I

With Introductory and Explanatory Statement

Federal Power Commission - Docket No. IT-5611

Portland, Oregon

September 26, 1941

PACIFIC POWER & LIGHT COMPANY

Introductory and Explanatory Statement Concerning

Revised Statement B

Revised Statement E

Revised Statement F

Revised Statement G

Revised Statement H

Revised Statement I

Federal Power Commission - Docket No. IT-5611

Prepared Pursuant To

Federal Power Commission
Electric Plant Instruction 2-D - Uniform System of Accounts
and
Order of May 11, 1937

PACIFIC POWER & LIGHT COMPANY

Public Service Building

Portland, Oregon

September 26, 1941

Federal Power Commission
Washington, D. C.

Gentlemen: Docket No. IT-5611

On July 3, 1940, Pacific Power & Light Company filed with the Federal Power Commission a printed volume containing its Statements A to I inclusive, setting forth the results of its original cost studies and other information, pursuant to Electric Plant Accounts Instruction 2-D of the Commission's Uniform System of Accounts prescribed for Public Utilities and Licensees, and to the order of the Commission relating thereto adopted May 11, 1937. In so doing, the Company carried out in good faith and to the best of its ability, with the information and within the time available to it, the representations made in the Company's petition to the Commission of December 20, 1939, applying for an extension of time to July 1, 1940, within which to file said Statements and the representations made in the Company's letter to the Commission of January 9, 1940, in its Answer of May 18, 1940, to the Commission's Show Cause Order of April 16, 1940, in Docket No. IT-5611, and in the testimony of Will T. Neill, vice president of the Company in charge of said work, as presented at the hearing on said Show Cause Order held at Washington, D. C., on May 23 and 24, 1940.

Since the filing of said Statements A to I, inclusive, the Company has been actively engaged in further studies of the problems presented by said Instruction 2-D and by said Order of May 11, 1937, for the purpose of verifying, and of correcting or supplementing where necessary or appropriate, the results of the original cost and other studies presented in said Statements A to I, inclusive. It has also obtained for and supplied to the staffs of the Federal Power Commission and the Public Utilities Commissioner of Oregon such additional data, compilations, analyses, and supplementary or explanatory statements relating, directly or indirectly, to said Statements A to I inclusive, as have been requested from time to time over said period by the members of said staffs.

In this work the Company has cooperated to the fullest possible extent with the representatives of the Federal Power Commission and the Oregon Commissioner in their joint examination of the Statements so submitted; and the Company has indicated to the staffs from time to time the Company's readiness and intention to make corrections or revisions of said Statements wherever it appeared or might thereafter appear to the Company that corrections or changes were necessary or desirable. As a result of these further studies and of such consultations, the Company has found it necessary or appropriate to revise Statements B, E, F, G, H, and I as originally filed, and to submit in lieu thereof the Revised Statements B, E, F, G, H, and I, respectively, hereto attached. Each of these Revised Statements is prefaced by an explanation of the revisions made, with such other comments as appear appropriate to a clear understanding of the facts presented, the methods pursued, and the Company's position with respect thereto.

Original Cost Statement

The work and basis of preparing the statement of original cost reflected in Revised Statements B, E, F, G, H, and I hereto attached, and, except as modified by said Revised Statements, in the original Statements filed on July 3, 1940, have previously been described in the Company's Answer of May 18, 1940, to the Commission's Show Cause Order of April 16, 1940, in Docket No. IT-5611, and in the testimony presented at the hearing on said order. As stated in paragraph (3) of said Answer:

> "Following the receipt of the Commission's orders for the reclassification of electric plant, the Company made a study of the Uniform System of Accounts effective January 1, 1937, and thereafter of the requirements of the Commission's order of May 11, 1937, and then began examination of available records for the purpose of reclassifying its electric plant in accordance with said Uniform System of Accounts, following which the Company began the studies which it then believed and considered to be proper for the determination of the original cost of its electric plant on the basis of recorded cost, to the extent that cost records were available and the estimated cost of the remainder of its property.
>
> "Such determination involved in part the use of an Estimated Cost of Construction study which had been made by the Company for a portion of its property in connection with a rate and valuation proceeding previously pending before the Department of Public Service of the State of Washington. Such Estimated Cost of Construction study was based in part on starting figures obtained from early appraisals, and the straight addition thereto of net additions as shown by Company's fixed capital accounts subsequent to the date of such appraisals.
>
> "It was subsequently determined by the Company and by accounting representatives of the Commission and of the Public Utilities Commissioner of Oregon that extensive revisions and adjustments were necessary in all of the studies which the Company had prepared, both as to starting figures and as to subsequent additions and retirements.
>
> "For the purpose of meeting such objections, the Company deemed it necessary to undertake the reclassification of its property upon the basis of determinations which did not in-

volve the use of such old appraisals. An inventory of the electric property was prepared as of December 31, 1936. The Company has determined the cost of property from its records to the extent that the cost of such property could be identified in its records, and the use of estimates is being confined to those property items for which the actual original costs are not determinable from books and records."

With respect to this determination of original cost, the Joint Report of the staffs of the Commission and of the Oregon Commissioner dated June 21, 1941, and served upon the Company on July 7, 1941, comments in part as follows:

"The basis of the company's reclassification studies submitted to the Commissions was a priced inventory as of December 31, 1936. In the pricing of this inventory, the company relied to a great extent upon the costs developed in the 'Estimated Cost of Construction' schedules, with certain revisions in the methods of estimating costs. The examiners reviewed substantially all of the company's priced inventory; applied engineering tests to the property on which costs had been estimated; reconciled closely such recorded costs or averaged units costs determined in the 'Estimated Cost of Construction' schedules; verified the classification of property by accounts; test checked the application of recorded book overheads; made certain verifications of the physical inventory as of July 1, 1933, and test-checked projections to December 31, 1936; examined schedules and supporting work sheets prepared by the company in connection with its study; inspected accounting records and related supporting documents; and made a field inspection of certain major units of physical plant.

"The staffs determined adjustments necessary to reflect the results obtained through the company's restudy of plant, including the cost of its Powerdale Hydroelectric generating station and certain land and land rights.

"The staffs are of the opinion that the company's priced inventory, after application of the adjustments hereinafter set forth, can be accepted as representing the original cost of the company's electric plant as of December 31, 1936. This acceptance is predicated on its relationship with the 'Estimated Cost of Construction' schedules as adjusted by the

staffs, for which the priced inventory had provided a more accurate classification by accounts. It is also based on the cost of plant as shown by the company's plant accounts reflecting its own construction and recorded construction costs of plant acquired from others, and certain estimates. Original cost of plant on an estimated basis represents approximately seven (7) per cent of the total."
(Joint Report, page 20 - emphasis ours.)

Adjustments Proposed by Joint Report

The adjustments proposed in the Joint Report, to which reference is made in the underlined part of the above quotation, appear on pages 24 to 34 inclusive of that report. Subject to the reservation of rights with respect to the entire "original cost" statement, as set forth on pages 12 to 15 hereof, certain of these proposed adjustments are accepted by the Company as proper corrections in respect of the amounts involved therein, but, as indicated below, with varying treatment as to the accounts to which such amounts should be transferred. The adjustments so proposed, and the treatment accorded thereto in the Company's Revised Statements, are summarized below as follows:

(1) $171,305.21 - Joint Report, pages 24 and 25.
$7,463.45 has been transferred by the Company to Account 110, Other Physical Property; and the Company has removed the remaining $163,841.76 from Account 100.1, Original Cost of Electric Plant in Service, thereby increasing the amount in Account 100.5, Electric Plant Acquisition Adjustments by $163,841.76.

(2) $2,835,787.67 - Joint Report, pages 25 and 26.
For the reasons and subject to the reservation of rights hereinafter set forth, the Company's Revised Statements include no amount on account of Restatement of Overhead Costs; and the Company's previously stated credit of $2,835,787.67 in Account 107, Electric Plant Adjustments, has been eliminated by the Company

in compiling the Revised Statements.

(3) $42,554.68 - Joint Report, pages 26 and 27.

This net amount has been removed by the Company from Account 100.1, Electric Plant in Service, and transferred to Account 107, Electric Plant Adjustments.

(4) $5,839.11 - Joint Report, page 27.

The amount of $849.38 has been transferred by the Company from Account 301, Organization, to Account 151, Capital Stock Expense. Also, subject to the reservation hereinafter set forth as to unrecorded original costs, the amount of $4,989.73 has been removed by the Company from Account 100.1, Original Cost of Electric Plant in Service, thereby increasing the amount in Account 100.5 by $4,989.73.

(5) $9,475.49 - Joint Report, page 28.

Subject to the reservation hereinafter set forth as to unrecorded original costs, the three amounts making up this total, previously shown in Accounts 302, 303 and 100.2, have been removed by the Company from these accounts, thereby increasing the amount in Account 100.5 by $9,475.49.

(6) $1,090.71 - Joint Report, page 28.

The Company is certain that this sum fails by a substantial amount to reflect all the costs properly incurred in the organization of the Company. Subject to the reservation hereinafter set forth as to unrecorded original costs, the Company has accepted the adjustment proposed by the Joint Report to the extent of transferring the amount to Account 301, Organization, which has the effect of correspondingly reducing the amount that would otherwise be shown by the Company in its Revised

Statements in Account 100.5.

(7) $4,543,447.02 - Joint Report, pages 28 and 29.

The Company, after further studies and consideration, has removed from Account 303, Miscellaneous Intangible Capital, the entire amount of this $4,543,447.02, with the effect of increasing the amount in Account 100.5 by the same amount. The other items mentioned in the same paragraphs of the Joint Report are discussed subsequently in that report, and will be referred to later in the order mentioned therein.

(8) $77.70 - Joint Report, page 29.

The Company has transferred the amount of $77.70 from Account 100.3, Construction Work in Progress, to Account 108, Other Utility Plant.

(9) $2,275.00 - Joint Report, page 29.

The Company has transferred the amount of $2,275.00 from Account 100.4, Electric Plant Held for Future Use, to Account 110, Other Physical Property.

(10) $191,080.79 - Joint Report, page 29.

The Company has made further studies and a determination of cost of the "Other Utility Plant" involved under this item, and has submitted the details of this study and determination to the Commission's staff. On the basis of this further study, the Company has classified $150,547.64 of the $191,080.79 in the Revised Statements in Account 108, Other Utility Plant, with the effect of increasing the amount shown in Account 100.5 by the remainder, or $40,533.15.

(11) $72,324.16 - Joint Report, pages 29-30.

The Company has made further studies and a determination of cost of the "Other Physical Property" involved in the two amounts making up this item, and has submitted the details of this study and determination to the Commission's staff. On the basis of this further study, the Company has classified in the Revised Statements $69,977.37 of the amount in Account 110, Other Physical Property, with the effect of increasing the amount in Account 100.5 by the remainder, or $2,346.79.

(12) $229,166.81 - Joint Report, page 30.

The Company has made further studies and a determination of the cost of the property involved in this item, as a result of which it has classified $188,136.86 in the Revised Statements in Account 110, Other Physical Property, with a corresponding credit to Account 250, Retirement Reserve. The details of this cost determination have been supplied to the Commission's staff.

(13) $77.70 - Joint Report, page 30. (Same as Item 8)

(14) $2,275.00 - Joint Report, page 30. (Same as Item 9)

(15) $1,260,400.00 - Joint Report, page 30.

This is one of the items included in the tabulation under Item (7) on page 28 of the Joint Report. As will appear in the Company's Revised Statement B, the Company has found after further studies and consideration that it is not practicable to classify the total in Account 100.5, Electric Plant Acquisition Adjust-

ments, by amounts "according to nature"; and this $1,260,400, along with other amounts, is included in the Revised Statements as part of the total of Account 100.5.

(16) $492,571.76 - Joint Report, page 31.

This amount is made up of three items previously discussed herein, as Items (10), (11), and (12), the Company's treatment of which in the Revised Statements is explained above under said items.

(17) $12,530,381.14 - Joint Report, page 31.

This amount represents the algebraic sum of adjustments previously proposed in the Joint Report, the Company's treatment of the various components of which is shown under the above Items (1), (2), (3), (4), (5), (6), (7), and (12), and under the following Items (20), (21), (22), and (23).

(18) $191,003.09 - Joint Report, page 32.

This is the algebraic sum of Items (10) and (13), the Company's treatment of which in the attached Revised Statements is stated above under said Items (10) and (13).

(19) $62,585.71 - Joint Report, page 32.

This amount represents the algebraic sum of Item (11), ($72,324.16) and Item (9) ($2,275.00), the Company's treatment of which in these Revised Statements is set forth under said items, and of an amount of $7,463.45, transferred by the Company and by the Joint Report from Account 100.1, Electric Plant in Service, to Account 110, Other Physical Property.

(20) $1,209,612.71 - Joint Report, page 32.

As will appear from the discussion of Acquisition No. 19 in the attached Revised Statement B, the amount of the Company's Investment in Associated Companies on account of the acquisition of the capital stock of Inland Power & Light Company in 1930, has been determined to be $232,002.22; and the difference between the latter amount and the $1,209,612.71 referred to under Item (20) has been classified in Revised Statement B as shown under Acquisition No. 19 in said Statement.

(21) $2,024,993.99 - Joint Report, pages 32-34.

The treatment by the Company of this item of Unamortized Debt Discount and Expense is set forth in the Revised Statement B under Acquisition Nos. 1 and 19, all of this being reclassified in Account 140, Unamortized Debt Discount and Expense, - not as a "predisposition" of that amount, but as an expression of the Company's present belief as to how this amount should be reclassified pursuant to the requirements of the Uniform System of Accounts and the Commission's Order of May 11, 1937.

(22) $35,160.34 - Joint Report, page 34.

This amount appears in the Company's Revised Statements as properly classified in Account 151, Capital Stock Expense. No change has been made in that respect from the original Statements.

(23) $629,525.89 - Joint Report, page 34.

In the Revised Statements this item has been adjusted to the amount of $612,013.78, instead of the $629,525.89 charged by the Company to Account 250, Retirement Reserve during the year 1940 to provide for then determined under-retirements of property sold or otherwise removed from service prior to December 31, 1936. This revision was made for the purpose of correcting the under-retirement item to include only properties other than electric properties, and to eliminate therefrom the amounts of under-retirement applicable to two electric properties, namely: the Mill Creek hydroelectric plant and the Toppenish steam plant. In addition to the non-electric properties originally included in the $629,525.89, the adjusted figure of $612,013.78 which has been charged to Account 250 in the Revised Statement, includes an amount of $7,901.74 to cover an under-retirement disclosed by subsequent studies to be applicable to the Hood River water system which was sold by the Company in 1912.

The under-retirement of the two electric properties above mentioned is taken care of, without the necessity for separate consideration, in the adjustment shown in the Summary Statement as necessary to reconcile the "original costs", determined by the method followed in Revised Statement B, with the "original costs" determined as of January 1, 1937, by the priced inventory study.

It will be noted from the above, and by comparing the Company's treatment of the examiners' proposed adjustments with the recommendations pertaining thereto contained in the Joint Report, that the Company and the staffs are in accord as to the "Original Cost" (as defined by the Commission to exclude any restatement of unrecorded costs) of the various items of property to be recorded in Account 100.1, Electric Plant in Service, and Account 100.2, Electric Plant Leased to Others; and that such differences as now exist between the Company's Revised Statements and the recommendations of the Joint Report relate exclusively to the particular Adjustment and other Accounts in which it is believed the differences between cost to utility and such original cost should be recorded.

Restatement of Unrecorded Costs - Reservation of Rights

Electric Plant Accounts - Instruction 2, of the Commission's Uniform System of Accounts, entitled "Classification of Electric Plant at Effective Date of System of Accounts", provides by paragraphs A and B as follows:

> "A. Each Utility shall classify its electric plant as of the effective date of this system of accounts in accordance with the electric plant accounts prescribed herein. The classification shall be so made as to show both the original cost and the cost to the utility of its electric plant.
>
> "B. The cost to the utility of its electric plant shall be ascertained by analysis of the utility's records. In ascertaining the cost it is not intended that any correction need be made for depreciation or amortization applicable to operating units or systems previously acquired, whether or not such depreciation or amortization was recorded in the books of the accounting utility. It is likewise not intended that adjustments shall be made to record in electric plant accounts amounts previously charged to operating expenses in accordance with the discretion of management as exercised under such uniform system of accounts." (Emphasis ours)

The above underlined sentence of Instruction 2-B is interpreted by the Commission and its staff as prohibiting (except in cases of obvious accounting errors) the determining and including in plant accounts of any items of original cost which, in the previous history of the utility involved, may have been charged to or absorbed in operating expenses, even though such items if capitalized at the time incurred would have been recognized and allowed by the Commission in the reclassification as proper charges to capital accounts. For example, in the comparatively recent case before the Commission "In the Matter of Northwestern Electric Company - Docket IT-5642", the Commission in Opinion and Order, dated December 6, 1940, declares in part as follows:

> "The Company seeks to add to recorded cost additional amounts which it had previously decided in the exercise of its allowable discretion were not a part of cost of plant. We find this to be improper and contrary to the reclassification requirements of our System of Accounts.
>
> * * * * * *
>
> "The Company claims that the cost of public utility plant is a fact not at all dependent upon any accounting practices. We know that the cost of any utility plant is the resultant of the allowable accounting discretion of the utility as exercised within the limit permitted by the System of Accounts, but the utility having exercised such allowable discretion is thereafter bound by the cost resulting therefrom. Many expenditures made by a utility must be assigned, allocated, or prorated on the basis of judgment, to the various plant and operating accounts. The cost of plant is dependent upon these assignments, allocations, and prorations, just as operating expenses are dependent thereon.
>
> "The Company would impeach its records of the past, although admitting they were kept in accordance with sound principles of accounting, by re-assigning, re-allocating, and re-prorating certain joint costs. It attempts to do so under the erroneous interpretation that this Commission's System of Accounts requires it. Our System of Accounts prohibits rather than requires such reaccounting." (Emphasis ours)

What this Company proposed in its original Statements, by setting forth in its reclassification statement previously unrecorded overhead costs of plant, was not to "impeach its records of the past", but merely to record, with corresponding and offsetting credits on the same side of the statement, in Account 107, Electric Plant Adjustments, the facts as ascertained by the Company with respect to such overhead costs, for such significance as they may have in any future matter or proceeding wherein original cost may be an element to be taken into consideration. This, the Commission rules, is prohibited by the System of Accounts.

In the circumstances, the filing of the attached Revised Statements omitting any restatement of such overhead costs, in accordance with such unequivocal ruling, is not to be taken as a waiver of the Company's right to insist upon the recognition of such costs in any future proceeding wherein original cost may be an element to be taken into consideration, or of the Company's right to question in an appropriate proceeding the authority of the Commission under the Federal Power Act to prescribe such System of Accounts, or to apply and interpret such System in the manner indicated above.

The Company is firmly of the opinion and belief that the so-called "original cost" of its electric plant, determined in accordance with the requirements of the Uniform System of Accounts as so interpreted by the Commission and as reflected in the attached Revised Statements, fails to include substantial amounts of overhead costs which were necessarily incurred, but not recorded as such, in the construction of the

Company's electric plant. It frankly recognizes the possibility of differences of opinion and judgment as to whether the amount of such unrecorded overhead costs of utility plant may properly be finally determined to be more or less than the $2,835,787.67 included in Accounts 100.1 and 100.2, in the now superseded Statement F filed July 3, 1940; but it insists that in any event the total of such unrecorded costs represents a substantial amount.

The Company, therefore, takes this occasion to affirm its position, namely: that, in any proceeding wherein original cost of the Company's property is an element to be taken into consideration, the Company may not lawfully be precluded or estopped from establishing by appropriate evidence at such time the full amount of any such overheads or other items of original cost which may not previously have been recorded as original cost on the books of the Company or its predecessors, or which may not have been shown or reflected in the pending proposed reclassification of its plant accounts; and the Company expressly asserts and reserves the right at any such time and in any such proceeding to present competent evidence concerning, and to demand the recognition of, all such unrecorded or omitted costs.

Revised Statements B, E, F, G, H, and I are presented herewith, subject to the Company's reservation of rights as set forth above.

Respectfully submitted,

PACIFIC POWER & LIGHT COMPANY

By Will T. Neill

Vice President

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT B

STATEMENT OF ACQUISITIONS OF

ELECTRIC OPERATING UNITS OR SYSTEMS

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D—Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement B

The text of the Commission's Order of May 11, 1937, with respect to Statement B is as follows:

> "Statement B showing for each acquisition by the reporting company or any of its predecessors of an electric operating unit or system, the original cost, estimated, if not known, the cost to such company and the amount entered in the books in respect thereto as of the date of acquisition. If the depreciation, retirement or amortization reserve was adjusted as of the date of acquisition and in connection therewith, a full disclosure of the pertinent facts should be made. The difference between the original cost and the amount entered in respect thereto of each acquisition of an electric operating unit or system, as of the date of acquisition, should be clearly stated, and a summary of all transactions affecting such difference between the date of the respective acquisition and January 1, 1937, and the resultant amount on the latter date, should be set forth. The amount to be included in Account 100.5, Electric Plant Acquisition Adjustments, as of January 1, 1937, shall be subdivided so as to show the amounts applicable to (a) electric plant in service, (b) electric plant leased to others, and (c) electric plant held for future use. Whenever practical, such amount shall be classified according to nature, i. e., going value, structural value, etc.
>
> "Where estimates are used in arriving at original cost or the amount to be included in Account 100.5, a full disclosure of the method and underlying facts should be given. The method of determining the original cost of the electric plant acquired as operating units or systems should be described in sufficient detail to permit a clear understanding of the nature of the investigations which were made for that purpose."

This Revised Statement B embodies the results of the further studies and analyses upon which the Company has been actively engaged since the filing of the original Statements on July 3, 1940. The method which the Company finally found necessary to adopt, as the most accurate means of determining "original cost" of the property in service on December 31, 1936, as described on pages 3 and 4 of the foregoing Introductory and Explanatory Statement, dealt only with the various units of property remaining in service on the latter date, and did not provide a workable basis for determing the

"original cost" by acquisitions of the various properties acquired from predecessor operating utilities over the period from July, 1910, to December 31, 1936.

At and prior to the time of filing its original Statement B, the Company's staff was crowded to the utmost with the vast amount of detail work necessary to complete the original cost studies, pursuant to the method finally found necessary for that determination, and to compile the results of those studies in proper form for filing by July 1, 1940, the date to which the Company had petitioned the Commission for an extension. It was then found impossible to formulate any method which seemed to offer the possibility of an accurate determination of the original cost at time of acquisition of each of the various operating properties acquired by the Company from others in the years 1910 to 1936, inclusive, and the amount of the "acquisition adjustment" applicable thereto. In the circumstances, the Company was obliged to submit its original Statement B without such segregation and with only a general explanation of the cost to the Company of the various acquisitions.

The Joint Report comments in part on the Company's failure to accomplish this task, as follows:

> "The Company has not made a study to determine the original cost of acquired property at dates of acquisition necessary to the proper classification of related adjustments with respect to Account 100.5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments. Consequently, the examiners have established such adjustments in Account 107, Electric Plant Adjustments, pending the preparation of a study by the company to determine proper allocation."

and we assume that paragraph (e) of the recitals in the Commission's order of July 1, 1941, as well as sub-paragraph (i) of paragraph (C) of said order, relate in part at least to the examiners' criticism of Statement B as originally filed.

Since filing its original Statements, the Company has undertaken anew to solve the problem of determining "original costs" by acquisitions, using for that purpose what now appear to it the most reliable, factually supported premises available for the purpose, and to tie-in the costs so determined with the "original costs" as more accurately determined by the priced inventory as of January 1, 1937. Each acquisition has been carefully analyzed, its components have been traced back to their origins where possible, and the results of the analyses have been assembled in tabular form for each acquisition. In each instance, the methods, underlying facts, and premises relied upon are disclosed, and we believe "in sufficient detail to permit a clear understanding of the nature of the investigations which were made for that purpose".

The results so developed are shown on a summary sheet, entitled "Reclassification Summary Statement", appearing as page 47 of this Revised Statement B. This Summary Statement assembles, under the various column headings there shown, by acquisitions and by totals, the results of the reclassification studies reflected in the Revised Statements; and it includes a reconciliation of the totals of such "original" and "acquisition" costs by acquisitions, with the total of the "priced inventory" cost determination referred to in the quotation from the Joint Report set out on page 4 of the foregoing Introductory and Explanatory Statement. The classification by detailed plant accounts is presented in Revised Statement F, and is made as there shown on the basis of the "priced inventory".

In determing the amounts to be included in Account 100.5, Electric Plant Acquisition Adjustments, with respect to the various acquisitions so analyzed in Revised Statement B, the Company has proceeded on the premise, and takes the position, that total "cost to the utility" of the

properties obtained on each of these acquisitions is the total cost recorded on the Company's books at the time of acquisition, computed on the basis of the cash exchanges if any involved, and the par or stated value of the securities or obligations issued or assumed in the transactions; and, consequently, that the entire excess of such cost to the Company of the operating and leased electric properties, over the "original cost" of such properties determined as set forth in the Revised Statements and subject to the reservation in respect thereof previously stated, should be recorded in Account 100.5, Electric Plant Acquisition Adjustments.

Segregation of Acquisition Adjustment Costs

The text of the Commission's Order of May 11, 1937, quoted above at page 1 of this Revised Statement B, provides in part:

> "The amount to be included in Account 100.5, Electric Plant Acquisition Adjustments, as of January 1, 1937, shall be subdivided so as to show the amounts applicable to (a) electric plant in service, (b) electric plant leased to others, and (c) electric plant held for future use. Whenever practical, such amount shall be classified according to nature, i.e., going value, structural value, etc."

The only possible "subdivision", of any amount shown in Account 100.5 in the Company's Revised Statement B, is with respect to the amount of $486,744.98 incurred by the Company as an acquisition adjustment cost in connection with the acquisition of operating electric properties in the 1930 transaction. As appears on the Summary Statement, page 47 of Revised Statement B, some of these properties are classified in Account 100.1, Electric Plant in Service, and some in Account 100.2, Electric Plant Leased to Others; and, as shown in the same Summary Statement and in the analysis

under Statement 19b, the acquisition adjustment costs pertaining to the properties in Account 100.2, have been determined to be $203,526.40, leaving the remainder, or $283,218.58, of the Company's 1930 acquisition adjustment costs as pertaining to the properties in Account 100.1. As the Company has acquired no other operating electric property now leased to others, or now held for future use, none of the other electric plant acquisition costs includes any amount applicable to Account 100.2, or to Account 100.4, Electric Plant Held For Future Use.

On page 8 of the foregoing Introductory and Explanatory Statement filed herewith, the following reference is made to an item of $1,260,400 discussed on page 30 of the Joint Report:

> "As will appear in the Company's Revised Statement B, the Company has found after further studies and consideration that it is not practicable to classify the total in Account 100.5, Electric Plant Acquisition Adjustments, by amounts "according to nature"; and this $1,260,400, along with other amounts, is included in the Revised Statements as part of the total of Account 100.5."

The above quoted comment applies generally not only to the $1,260,400 there referred to, but to all of the amounts classified in Account 100.5 in the analyses of the twenty separate acquisitions of utility property by the Company, the results of which are tabulated on the "Summary Statement". It will be noted that the first fourteen (14) of these acquisitions occurred 25 years or more ago; that the most important of these from a cost standpoint occurred in the years 1910 and 1911; and that, of the remaining six acquisitions, the only one of substantial size was No. 19, on July 31, 1930, on which the Account 100.5 acquisition adjustment cost is shown as $486,744.98, on the basis of excess of cost to Pacific over so-called "original cost" of the properties acquired at that time.

The aggregate of the Account 100.5 acquisition adjustment costs on all acquisitions, plus certain of such costs aggregating $14,177.27 shown on the Summary Statement in Column 5 opposite "gross plant additions", is $7,019,528.20, after giving effect to an offsetting item amounting to $138,485.84, as shown on the Statement; and of this net total all but $488,269.86, and the $14,177.27 so classified with "gross plant additions", is classified in connection with acquisitions antedating July 1, 1916. Of these, the largest item of acquisition adjustment cost was the item of $6,239,335.19 involved in the acquisition of properties at the time of the Company's organization in July of 1910.

Referring to this first major item, the Company, after further study and consideration, has reached the conclusion that no accurate basis now exists for segregating the total of $6,239,335.19 "according to nature" of its components. This amount constitutes the difference between the cost to Pacific and the "original cost" of the electric utility property acquired by Pacific in 1910, as determined in the manner and subject to the reservation referred to in Revised Statement B. The present officers of the Company have no knowledge, or means of knowledge, thirty years or more after the event, as to the weights which may have been given by the directors of the Company in 1910 to the various elements of value inherent in the properties so acquired in July of that year.

In our opinion, however, this 1910 acquisition adjustment cost represents the then directors' judgment as to the net effect of all of the elements, then actually or potentially present, of appreciation over original cost to the first utility users, as now determined in the manner stated. Among such elements, we believe, were the following: any increase in structural values and costs over such "original cost" of the properties so acquired;

such values and costs as may have been attributable to the integration of the various properties, in the course of their development in the hands of the 43 predecessor owners indicated on the chart on page 23 of Statement A, these being values and costs which would not be reflected in such "original cost" statement; the going value, or the value of the then established and acquired business and properties, over the bare bones cost of the physical properties; the added values contemplated from the consolidation and further integration of these properties into a more efficient operating system under competent and experienced utility management, and under the sponsorship of a holding company in a position to assist Pacific in financing its future growth and development; the added values contemplated from the aggressive development of the electric business with improved service and more favorable rates, and in a territory presenting favorable opportunity for rapid growth and for new and increased uses of electric service; and such values as may have been attributed to the water rights appurtenant to the hydro-electric plants to be acquired in the transaction, over and above their "original cost" as so determined. These and perhaps other elements may have entered into the determination of values underlying the incurring of such acquisition adjustment costs at that time; but as indicated above, any attempt at this time to segregate these elements by specific amounts "according to nature" would be almost wholly speculative, and for that reason is deemed impracticable.

The next acquisition adjustment cost shown on the Summary Statement is the amount of $23,759.81, arising in connection with Acquisition No. 2, the electric properties of Husum Power Company, which were bought by Pacific Company directly from the original owners in 1911. The acquisition cost there shown represents the difference between cost to Pacific Company, or

the 1911 market value as determined by the purchase price, and the "original cost" as determined for the purposes of this Statement. This appreciation would cover any increase in structural values and costs which may have existed, any going value developed in the property, and any other elements of value inherent in the property at the time of the purchase.

On Acquisition No. 3, The Prosser Power Company, an acquisition adjustment cost of $5,738.56 is shown in Column 5 of the Summary Statement, as compared with a presently determined "original cost" in Account 100.1 of $80,968.99. The acquisition adjustment cost is relatively small, and may properly be attributed to increased structural values or costs and to going value, either or both. In any event, it represents the appreciation, measured by the difference in market value on an arm's length purchase, over the presently determined "original cost". In this case also, the properties had passed through various ownerships prior to Pacific's purchase in 1911, which doubtless involved some integration costs and values not reflected in presently estimated "original cost".

On Acquisition No. 5, Hood River Light & Power Company, an acquisition adjustment cost of $164,979.19 is shown in Column 5 of the Summary Statement, as compared with a presently determined "original cost" in Account 100.1 of $81,572.56. This acquisition was made by the Pacific Company from the last of three owners of the properties involved, and the acquisition adjustment cost must be assumed, as in the case of the 1910 transaction, to represent all of the elements of value and cost, as reflected by the market or purchase price, deemed to inhere in the properties at the time of the purchase. A similar explanation applies to Acquisition No. 6, the Tucannon Power Company, as to which an acquisition adjustment cost of

$39,260.64 is shown in Column 5, as compared with a presently determined "original cost" in Account 100.1 of $52,104.26; and to Acquisition No. 7, Dayton Electric Company, as to which an acquisition adjustment cost of $40,648.17 is shown, as compared with a presently determined "original cost" in Account 100.1 of $56,761.37.

With respect to Acquisition No. 12, Hydro Electric Company, an acquisition adjustment cost of $115,718.63 is shown in Column 5, as compared with presently determined "original cost" in Account 100.1 of $68,290.50. This property was acquired by Pacific in 1915. The basis of the determination of original cost is explained in Statement 12, Acquisition No. 12, on page 31 following. That analysis proceeds on the assumption, however, that the "original cost" of the lands and water rights involved was the $15,034.91 presently estimated from deed records as the market value in 1909 of ordinary acreage in the Hood River Valley. Actually, further analysis discloses that the first owner to put these particular lands and water rights to electric utility use was Hydro Electric Company, which was organized early in 1911 by the owners of two substantial blocks of riparian lands and water rights along the stream of Hood River, one block of which had been partially developed for power to operate a local mill, but which was not operated as a public utility until Hydro Electric Company constructed its electric power plant on these lands and engaged in furnishing electric service by means thereof. (See Statement A, pages 83 and 84)

The owners of these two blocks of land and water rights, N. C. Evans and Watt Development Company, transferred their respective properties to Hydro Electric Company for a price of $150,000, paid one-half to each in the capital stock of the company in that amount of par value; and from an accounting standpoint, it appears that this $150,000 might properly be taken

as the "original cost" of these lands and water rights. If that were done, the acquisition adjustment cost of $115,718.63 now shown in Column 5 of the Summary Statement would be converted into a red figure, or a credit to the acquisition adjustment account, in the amount of $19,246.46. In any event, it is fair to assume that this $115,718.63, now classified under Column 5 as acquisition adjustment cost to Pacific, includes recognition of values greatly in excess of the $15,034.91 used in the Revised Statement B for these lands and water rights (for which Hydro Electric Company paid $150,000 in its capital stock), as well as recognition of whatever going value the business may have developed at the time of Pacific's acquisition. In view of the competitive situation which prevailed for a time between Hydro Electric Company and Pacific, it is also fair to assume that the purchase price to Pacific may have been influenced by and have included recognition of a "nuisance value" of the properties in the hands of the original stockholders of Hydro Electric Company.

On Acquisition No. 13, Seaside Light and Power Company, an acquisition adjustment cost of $21,683.76 is shown in Column 5, as compared with a presently determined "original cost" in Account 100.1 of $65,000. The acquisition adjustment cost there shown represents the difference between cost to Pacific Company, or the 1916 market value as determined by the purchase price, and the "original cost" as determined for the purposes of this Statement. This appreciation would cover any increase in structural values and cost which may have existed in 1916, any going value then developed in the property, and any other elements of value inherent in the property at the time of its purchase by Pacific. Similar comment would apply to the $1,512.62 of acquisition adjustment cost shown in Column 5 with respect to Acquisition No. 17, Cannon Beach Electric Company, as to which an "original

cost" of $17,052.69 is shown in Account 100.1.

The principal remaining acquisition adjustment cost is the amount of $486,744.98, on Acquisition No. 19, Inland Power & Light Company properties, involved in the 1930 acquisition. As previously stated and as shown on the Summary Statement, $203,526.40 of this cost is allocated to the $1,156,766.25 of original cost of property in Account 100.2, Electric Plant Leased to Others; and the remainder, or $283,218.58, is allocated to the $2,341,891.73 of property in Account 100.1, Electric Plant in Service. The Company knows of no practical method of breaking down the $486,744.98 of acquisition adjustment costs, "according to nature" of its components. It would cover any increases in structural values and costs that may have existed, any going value that may have been developed in the properties, and any other elements of value inherent in the properties, at the time of their acquisition by Pacific.

The acquisition adjustment cost of $14,177.27 shown in Column 5 of the Summary Statement, opposite the line entitled "Gross Plant Additions", consists of the costs of two groups of items which, in the Joint Report, were eliminated from original cost in Account 100.1, as representing costs incident to the acquisition of properties by the Company. One of the groups of items, with an aggregate cost amounting to $4,989.73, is described on page 27 and in Appendix 2 of the Joint Report; and the second group, with an aggregate cost of $9,187.54, is included in the adjustment proposed on page 24 of the Joint Report.

The amount of $138,485.84 (red) included as acquisition adjustment cost in Column 5 of the Summary Statement, opposite the legend "Retirement Adjustments", etc., is the sum of the amount of $188,807.71 shown in Column 2 and the amount of $50,321.87 (red) shown in Column 3. These two

latter amounts represent the differences between the respective original costs at time of acquisition of the properties in Accounts 100.1 and 100.2, as previously estimated for the purposes of Revised Statement B, plus recorded net additions to January 1, 1937, and the respective original costs of the properties in Accounts 100.1 and 100.2 determined on the priced inventory basis as of January 1, 1937.

For convenience of reference, and for whatever interest the presentation of the information in this form may have to the Commission, the Summary Statement includes an analysis, in Columns 6 and 7, of the 100.5 acquisition adjustment costs shown in Column 5, to reflect the differences between costs to American and costs to Pacific in the major 1910 and 1930 transactions. Column 6 shows that part of the acquisition adjustment costs in Column 5 which represents the differences between costs to Pacific and the costs to American; and Column 7 shows the remainder of the acquisition adjustment costs, or the amounts in Column 5 less the amounts in Column 6, respectively.

The figures employed in making the computations under Column 6 are the figures of cost to American which have been supplied by American, at the request of the Commission's staff, from time to time during the course of the staff's investigation and studies of the original Statements filed with the Commission on July 3, 1940. No consideration has been given in these computations of acquisition adjustment costs to the amount of $161,500, representing the discount and expense incurred by American on the sale of $1,250,000 in par value of Pacific's 7% Preferred Stock, received by American as part of the 1910 transaction; or to the amount of $25,000 of discount incurred by American on the resale to Pacific of the $500,000 in stated value of the $6 Preferred Stock of Pacific, which American received in the 1930 transaction. If the aggregate of these two

amounts, or $186,500, of discount and expense so incurred by American in marketing this preferred stock, were taken on Pacific's reclassification statement as Capital Stock Discount and Expense, in Accounts 150 and 151, the amounts now shown as the respective acquisition adjustment costs on the 1910 and 1930 transactions would be correspondingly decreased.

It should be understood that the figures of cost to American, referred to in the two preceding paragraphs, reflect only a part of American's investment in and contributions in behalf of the Pacific Company. The latter, in addition to the amount of Pacific's note indebtedness to American shown on the balance sheet as of January 1, 1937, in Revised Statement G, and the amount of American's cash investment in Pacific's common stock, may properly be considered as including the very large expenditures made by American from early in 1910 until plans therefor were necessarily suspended several years ago, toward making possible the construction of a major hydroelectric project on the Columbia River at Priest Rapids, as a source of cheap power for industrial development in Pacific's operating territory and for future anticipated requirements of Pacific's growing utility business.

The Company has furnished to the Commission's staff copies of this Revised Statement B, with detailed data, memoranda, and explanations pertaining thereto and to the studies reflected therein.

Will T. Neill, Vice President
Pacific Power & Light Company

PACIFIC POWER & LIGHT COMPANY PLANT ACCOUNT ENTRIES
Grouped for Purposes of Reclassification

The plant account balance of Pacific Power & Light Company, as of December 31, 1936, is considered as consisting of the following groups of items for convenience in analyzing the several entries:

Acquisition Number	Group	Amount
1	Columbia Power & Light Company, Yakima-Pasco Power Company and Astoria Electric Company	$10,900,000.00
2	Husum Power Company	47,681.45
3	The Prosser Power Company and Prosser Water Company	130,830.44
4	The Klickitat Light & Power Company	45,583.90
5	Hood River Light & Power Company	286,894.49
6	Tucannon Power Company	91,364.90
7	Dayton Electric Company	104,656.54
8	Waitsburg Electric Light Company	45,344.70
9	Reservation Electric Company	39,689.96
10	Corbett Bros.	2,000.00
11	Vancouver Gas Company	139,926.04
12	Hydro Electric Company	184,009.13
13	Seaside Light and Power Company	86,683.76
14	Gearhart Park Company	1,327.60
15	Attalia Dairy Products Company	2,127.35
16	Burbank Company	2,500.00
17	Cannon Beach Electric Company	18,715.31
18	Hood Light Company	6,565.30
19	Inland Power & Light Company properties, Public Service Building and common stock of Inland Power & Light Company	8,156,972.43
20	Connell Power & Light Company	6,150.00
	Gross Plant Additions	22,418,649.68
	Retirements	8,852,063.77*
	Total - Balance in Account 100.6, Utility Plant in Process of Reclassification, as of January 1, 1937	$33,865,609.21

*Indicates credit.

Acquisition No. 1

Statement 1

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$2,287,013.50	
Electric Plant Acquisition Adjustments	E100.5	6,239,335.19	
Other Utility Plant	108	1,707,828.57	
Other Physical Property	110	217,206.49	
Unamortized Debt Discount and Expense	140	448,616.25	
Utility Plant in Process of Reclassification	100.6		$10,900,000.00

Explanation

The acquisition of the properties of Columbia Power & Light Company, Yakima-Pasco Power Company and Astoria Electric Company, all as of July 1, 1910, the electric plant of Wasco Warehouse Milling Company as of July 18, 1910, the parcel of land now occupied by the Yakima stores structure and the expenses of organizing Pacific Power & Light Company were recorded on the books of the utility as the original plant entry of $10,900,000.00. No segregation of this amount has been made in the company's books.

ORIGINAL COST

Columbia Power & Light Company was incorporated April 28, 1910, under the laws of the State of Washington and acquired the properties of Northwestern Corporation (except the Walla Walla Valley railway properties) and the electric properties of Wasco Warehouse Milling Company. The purchase of the properties of Northwestern Corporation excluding the railway properties was recorded by Columbia Company by an entry of $3,606,600.00 and the purchase of the electric plant of Wasco Warehouse Milling Company was recorded by an entry of $400,000.00. According to an audit report dated October 15, 1910, by Niles and Niles, Certified Public Accountants, the total net additions to property between April 30, 1910, and June 30, 1910, made by Columbia Power & Light Company amounted to $13,456.65, including $727.08 for the Lewiston gas properties.

Northwestern Corporation had acquired the properties of Lewiston Gas Company and Northwestern Gas and Electric Company, but continued the plant account records in the books of the acquired companies and opened no property account records for Northwestern Corporation.

No books of Lewiston Gas Company are available, but an audit report by Niles and Niles shows that the book cost of its property to April 30, 1910, was $96,497.24. In the absence of better evidence, we have assumed for the purposes of this Statement B that this book cost of $96,497.24, plus such net

Acquisition No. 1 - Continued

Original Cost - Continued

additions of $727.08 recorded by Columbia Power & Light Company, represents the original cost of the Lewiston Gas properties at the date of acquisition by Pacific Company, namely the sum of $97,224.32.

Northwestern Gas and Electric Company was incorporated September 1, 1903, under the laws of the State of Washington and acquired the properties of The Walla Walla Gas and Electric Company and Pendleton Electric Light & Power Company. No books of either of the latter two companies are available, and the amount of $709,400.00 entered on the books of Northwestern Gas and Electric Company to record its acquisition of such properties is assumed for the purposes of this Statement B to be original cost of the properties so acquired by Northwestern Gas and Electric Company. Northwestern Gas and Electric Company also acquired the Walla Walla River generating station constructed by The Washington and Oregon Power Company and entered the purchase on its books by an entry of $689,076.40. Books of The Washington and Oregon Power Company which are available record the cost of this property in a total amount of $369,680.39. From the books of Northwestern Gas and Electric Company the net additions to April 30, 1910, exclusive of purchased property, amounted to $390,516.19. The net additions and the purchase of The Walla Walla Gas and Electric Company properties included the Walla Walla Valley railway property. The Niles and Niles audit report of October 15, 1910, states that the net additions to the Walla Walla Valley railway property from April 30, 1910, to June 30, 1910, amounted to $5,613.38.

The estimated original cost of the Pendleton-Walla Walla electric and gas properties and of the Walla Walla Valley railway properties as of June 30, 1910, is assumed for the purposes of this Statement B to be $1,487,939.53, arrived at as follows:

Amount recorded for purchase of Pendleton and Walla Walla properties	$ 709,400.00
Net additions by Northwestern Gas and Electric Company to Apr. 30, 1910	390,516.19
Cost of Walla Walla River Plant to The Washington and Oregon Power Company	369,680.39
Net additions - Walla Walla Valley railway April 30 to June 30, 1910	5,613.38
Net additions (excluding Lewiston Gas) by Columbia Power & Light Company to June 30, 1910	12,729.57
Total	$1,487,939.53

By segregating this total on the basis of the ratio of the Hagenah determination of reproduction cost new of the physical units of the electric and gas properties to such determination of the reproduction cost new of all the physical units of properties (including the railway property) adjusted back to June 30, 1910, the original cost of the Walla Walla-Pendleton electric and

Acquisition No. 1 - Continued

Original Cost - Continued

gas systems is estimated for the purpose of this Statement B to have been $1,023,691.86.

The actual cost of the electric plant of Wasco Warehouse Milling Company which was acquired by Columbia Power & Light Company was $230,740.45, according to an adjusted statement of fixed capital in an audit report made by Niles and Niles as of July 18, 1910, the date of sale. This amount included $52,000.00 which was paid for the distribution system in The Dalles, Oregon, and is assumed for the purpose of this Statement B to be original cost in the absence of any better information. Wasco Warehouse Milling Company is an active corporation engaged in the flour milling business and its books are available.

Yakima-Pasco Power Company was incorporated March 31, 1910, under the laws of the State of Washington and acquired the properties of Northwest Light and Water Company, Yakima Valley Power Company and Yakima Gas Company. The purchase of the properties of Northwest Light and Water Company and Yakima Valley Power Company was recorded by Yakima-Pasco Company by an entry in the amount of $3,799,700.00 and the purchase of the properties of Yakima Gas Company was recorded at $400,000.00. According to an audit report by Niles and Niles, the total net additions to property between April 30, 1910, and June 30, 1910, made by Yakima-Pasco Power Company amounted to $32,342.30, including $3,467.04 for the Yakima Gas properties.

No books of either Northwest Light and Water Company or Yakima Valley Power Company are available. All information regarding fixed capital as recorded is obtained from audit reports by Niles and Niles. When Northwest Light and Water Company (Nevada) set up its books as of January 31, 1908, the opening plant entry was $1,232,945.00 to record the transfer of property from Northwest Light and Water Company (Washington) having the same owners. No records of the latter company are available and for the purposes of this Statement B this opening plant entry is assumed to be original cost. The net additions from January 31, 1908, to April 30, 1910, amounted to $193,070.55.

Yakima Valley Power Company acquired the electric and water systems in Kennewick and Pasco. The opening entry on its books was an amount of $320,250.00 to record the acquisition of these properties. The valuation report of the Chief Engineer of the Washington Public Service Commission on Pacific Power & Light Company as of June 30, 1913, states that the Kennewick properties were purchased for $11,400.00 cash and $48,600.00 bonds, while the Pasco properties were purchased for $11,000.00 cash and $39,000.00 bonds. The net additions (exclusive of the purchase of these properties) made by Yakima Valley Power Company to April 30, 1910, amounted to $233,752.38.

Assuming in the absence of better evidence that the amounts so paid for the Kennewick and Pasco properties represent original costs, the estimated original cost as of June 30, 1910, of the electric and water properties

Acquisition No. 1 - Continued

Original Cost - Continued

acquired by Pacific Power & Light Company from Yakima-Pasco Power Company is assumed to be $1,798,643.19, arrived at as follows:

Opening plant entry - Northwest Light and Water Company (Nevada)	$1,232,945.00
Net additions by Northwest Light and Water Company (Nevada) to Apr. 30, 1910	193,070.55
Cost of Kennewick and Pasco electric and water properties	110,000.00
Net additions by Yakima Valley Power Company to Apr. 30, 1910	233,752.38
Net additions (excluding Yakima Gas) by Yakima-Pasco Power Company to June 30, 1910	28,875.26
Total	$1,798,643.19

The books of Yakima Gas Company show property accounts amounting to $191,486.42 as of December 31, 1909. The capitalization as of this date included a stock issue of $100,000.00 and there is uncertainty as to the actual original cost of the property. No record of additions from January 1, 1910, to April 30, 1910, is available. In the absence of any better information as to actual costs, the original cost as of June 30, 1910, has been estimated at $169,091.70 by applying to the Hagenah determination of reproduction cost new of the physical units of property, adjusted back to that date, the same ratio between his determination of reproduction cost new and the estimated original cost as developed from the analysis of the Yakima-Pasco Power Company's electric and water properties. (See following Statement 1a)

Astoria Electric Company was incorporated March 12, 1901, under the laws of the State of Oregon and acquired the street railway, gas and electric properties from The Astoria Street Railway Company, Astoria Gas Light Company and West Shore Mills Co., respectively. The purchase of the street railway property was recorded on Astoria Electric Company's books at $163,506.80, while the purchase of the gas and electric properties was recorded at $232,861.11. The only available information concerning the original cost of these properties at the time of acquisition by Astoria Electric Company, is an unauthenticated and undated engineer's report which gives the actual cash invested in such properties as $223,287.12 as of March 1, 1902. On this basis the excess placed on Astoria Electric Company's books was $173,080.79. Assuming for purposes of this Statement B that this information is reasonably accurate, the estimated original cost of the property on June 30, 1910, upon acquisition by Pacific Power & Light Company was the total fixed capital of $653,253.40 shown on books of Astoria Electric Company less the March 1, 1902, excess of $173,080.79, or $480,172.61.

The estimated original cost segregated by companies and utilities, of all properties acquired by Pacific Company on July 1, 1910, Acquisition No. 1, is summarized in the following Statement 1a. Where it is necessary to estimate the division by utilities, such division has been made on the

Acquisition No. 1 - Continued

Original Cost - Continued

basis of ratios developed from the Hagenah determination of reproduction costs new of physical units of property adjusted back to July 1, 1910.

Statement 1a

Original Cost of Property as of July 1, 1910 - Acquisition No. 1

	Estimated Reproduction Cost New of Physical Units as of July 1, 1910	Estimated Original Cost as of July 1, 1910
Columbia Power & Light Company		
Electric Plant	$ 935,189.45	$ 723,889.67
Gas Plant - Walla Walla and Pendleton	387,312.95	299,802.19
Gas Plant - Lewiston	129,783.74	97,224.32
Wasco Warehouse Milling Company		
Electric Plant	248,536.54	230,740.45
Yakima-Pasco Power Company		
Electric Plant	1,275,819.81	1,248,565.92
Gas Plant	172,782.67	169,091.70
Water Plant - Yakima and Pasco	515,798.22	504,779.81
Water Plant - Kennewick	46,286.22	45,297.46
Astoria Electric Company		
Electric Plant	245,347.65	245,306.87
Gas Plant	101,593.54	101,576.66
Street Railway Plant	133,311.23	133,289.08
Sub-total	$4,191,762.02	$3,799,564.13
Yakima Stores Land		3,700.00
Total		$3,803,264.13

ACQUISITION ADJUSTMENTS

Pacific Power & Light Company was organized for the primary purpose of engaging in the electric business. The company's acquisition of the gas, water and street railway properties previously mentioned was necessary as an incident to the acquisition of the electric properties to be obtained and consolidated by the company. Of the properties other than electric obtained by the company in the 1910 acquisition, the only one remaining in the company's possession on December 31, 1936, was the water system at Kennewick, Washington. The Astoria street railway system was abandoned in 1924, and the gas properties and the other water properties were sold as opportunity permitted. As of the respective dates of sale or abandonment, retirement entries were made to remove each of these properties from the company's fixed capital accounts,

Acquisition No. 1 - Continued

Acquisition Adjustments - Continued

and as a result of further analyses in connection with current plant reclassification studies, additional retirement entries were made as of December 31, 1940, to adjust the original retirements to estimated cost of acquisition and construction to Pacific Company. The total amount retired as a result of these two accounting transactions for the retirement of each property consisted of the Hagenah determination of reproduction cost new of the physical units as of June 30, 1912, plus subsequent recorded net additions to date of sale or abandonment, plus the amount by which the sum of the two preceding items was exceeded by the estimated total cost of the property to Pacific Company, this excess being treated as Pacific's costs of acquired going value or intangible elements of value applying to such property.

In Statement 1b below are shown the estimated costs to Pacific Company at time of acquisition for each of the retired water, gas and railway properties, and for the Kennewick water system.

Statement 1b

Estimated Cost to Pacific
at date of Acquisition - Non-electric Properties

	Estimated Cost to Pacific when Acquired
Columbia Power & Light Company	
Gas Plant - Walla Walla and Pendleton	$ 444,812.95
Gas Plant - Lewiston	148,783.74
Yakima-Pasco Power Company	
Gas Plant	198,782.67
Water Plant - Yakima and Pasco	592,798.22
Water Plant - Kennewick	53,186.22
Astoria Electric Company	
Gas Plant	116,593.54
Street Railway Plant	153,311.23
Total - Non-electric Properties	$1,708,268.57

The amounts by which the estimated costs to Pacific Company at date of acquisition, as shown in the foregoing Statement 1b, are in excess of the estimated original costs, as shown in Statement 1a, represent the estimated acquisition adjustments for the non-electric properties. The details by companies and utilities are shown in the following Statement 1c.

Acquisition No. 1 - Continued

Acquisition Adjustments - Continued

Statement 1c

Acquisition Adjustments - Non-electric Properties

	Estimated Cost to Pacific Company when Acquired Statement 1b	Estimated Original Cost when Acquired Statement 1a	Acquisition Adjustments
Columbia Power & Light Company			
Gas Plant - Walla Walla and Pendleton	$ 444,812.95	$ 299,802.19	$145,010.76
Gas Plant - Lewiston	148,783.74	97,224.32	51,559.42
Yakima-Pasco Power Company			
Gas Plant	198,782.67	169,091.70	29,690.97
Water Plant - Yakima and Pasco	592,798.22	504,779.81	88,018.41
Water Plant - Kennewick	53,186.22	45,297.46	7,888.76
Astoria Electric Company			
Gas Plant	116,593.54	101,576.66	15,016.88
Street Railway Plant	153,311.23	133,289.08	20,022.15
Total - Non-electric Properties	$1,708,268.57	$1,351,061.22	$357,207.35

All of the properties listed in the foregoing Statement 1c, with the exception of the Kennewick water property still owned, have been retired on the books of the Pacific Company at their estimated cost to Pacific Company when acquired as shown in Column 1 above, plus the cost of subsequent net additions.

OTHER PHYSICAL PROPERTY

Certain items of property included in the 1910 acquisition were still owned by the company on December 31, 1936, but were not being used in electric or other utility operations, and for the purposes of the reclassification statement should be classified in Account 110, Other Physical Property. All of these items of other physical property are included in Statement 1a above, and one of them is also included in Statement 1c. The following tabulation shows these items of other physical property segregated between companies and utility systems at the time of acquisition. The tabulation shows the estimated cost to Pacific Company when acquired, the estimated original cost when acquired and the applicable acquisition adjustments.

Acquisition No. 1 - Continued

Other Physical Property - Continued

Statement 1d

Transfers to Account 110, Other Physical Property

	Estimated Cost to Pacific Company when Acquired	Estimated Original Cost when Acquired	Acquisition Adjustments
Columbia Power & Light Company			
Electric Plant - Land	$ 1,736.00	$ 1,736.00	$ —
Wasco Warehouse Milling Company			
Electric Plant - Land	1,960.00	1,020.00	940.00
Yakima-Pasco Power Company			
Electric Plant - Fruitvale Canal and Hydraulic Works, Yakima	201,578.13	153,743.13	47,835.00
Office Building and Land	440.00	313.84	126.16
Water Plant - Yakima - Land			
Astoria Electric Company			
Electric Plant - Land	11,492.36	8,690.28	2,802.08
Total	$217,206.49	$165,503.25	$51,703.24

The estimated costs to Pacific Company of property included in Account 110 have been determined by two methods. The cost to Pacific Company of lands when acquired, has been taken as the value assigned to such land in appraisals made in 1912 and 1913. The cost to Pacific Company of the Fruitvale Canal, hydroelectric works and structures when acquired, is based on an estimate made of the cost thereof, at time of construction, which is also assumed to be original cost. The estimated original costs of the lands were obtained from deed records.

Acquisition No. 2

Statement 2

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$21,989.64	
Electric Plant Acquisition Adjustments	E100.5	23,759.81	
Other Physical Property	110	1,932.00	
Utility Plant in Process of Reclassification	100.6		$47,681.45

Acquisition No. 2 - Continued

Explanation

The acquisition of the Husum Power Company property on February 28, 1911, was recorded at cost to utility, by charges to plant accounts amounting to $47,681.45. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST AND ACQUISITION ADJUSTMENT

No books or records of Husum Power Company, which was a partnership, are available. However, an audit report as of January 31, 1911, made by W. R. Mackenzie and Son, Certified Public Accountants, shows cost of property and plant amounting to $23,921.64 and for the purposes of this Statement B this is taken as original cost at date of acquisition by Pacific Company.

OTHER PHYSICAL PROPERTY

Certain lands acquired in connection with the Husum power plant were still owned by Pacific Company on December 31, 1936, but were not being used for utility operations, and for the purposes of this reclassification statement should be classified in Account 110, Other Physical Property. In Statement 2 these lands are shown in Account 110 at an estimated original cost, based on information obtained from deed records, which original cost also is assumed to be cost to Pacific Company.

Acquisition No. 3

Statement 3

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$80,968.99	
Electric Plant Acquisition Adjustments	E100.5	5,738.56	
Other Utility Plant	108	43,172.89	
Other Physical Property	110	950.00	
Utility Plant in Process of Reclassification	100.6		$130,830.44

Explanation

The acquisition of the properties of The Prosser Power Company and Prosser Water Company as of April 1, 1911, was recorded at cost to utility, by charges to plant accounts amounting to $130,830.44. No segregation of this amount between utilities or between the fixed capital accounts has been made in the company's records.

Acquisition No. 3 - Continued

ORIGINAL COST AND ACQUISITION ADJUSTMENTS

No books or records of these two companies are available, except the minute books. An audit report by W. R. Mackenzie and Son, Certified Public Accountants, as of March 31, 1911, states that electric property and plant amounted to $79,179.99 and furniture and fixtures to $1,789.00 or total electric plant of $80,968.99, while the water property and plant amounted to $33,268.41. In the absence of better information, these amounts are assumed for the purposes of this Statement B to be original costs at date of acquisition by Pacific Company.

The acquisition of the water property by Pacific Power & Light Company was incident to the acquisition of the electric property. The water system was sold and retired in 1926. As a result of further analysis in connection with current plant reclassification studies, additional retirement was made as of December 31, 1940, to adjust the original retirement to estimated cost of acquisition to Pacific Company. The total amount retired as a result of these retirements consisted of the Hagenah determination of estimated reproduction cost new of physical units of property as of June 30, 1912, plus the subsequent recorded net additions to date of sale, plus the amount by which the sum of the two preceding items was exceeded by the estimated total cost of the property to Pacific Company, this excess being treated as Pacific's costs of acquired going value or intangible elements of value applying to such property. Excluding the net additions made after date of acquisition, the total amount retired for the Prosser water system as cost to Pacific Company at time of acquisition was $43,172.89, or an excess of $9,904.48 over original cost as stated on the audit report referred to above.

OTHER PHYSICAL PROPERTY

Certain lands acquired in connection with the Prosser water system were still owned by Pacific Company on December 31, 1936, but were not being used for utility operations, and for the purposes of this reclassification statement should be classified in Account 110, Other Physical Property. The estimated original cost of these lands was obtained from deed records and amounted to $465.00. The value of the land at date of acquisition, based on an appraisal made in 1912 was $950.00, and this amount therefore is classified in Account 110

Acquisition No. 4

Statement 4

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$42,940.12	
Electric Plant Acquisition Adjustments	E100.5	1,080.35	
Other Physical Property	110	1,563.43	
Utility Plant in Process of Reclassification	100.6		$45,583.90

Acquisition No. 4 - Continued

Explanation

The acquisition of the properties of The Klickitat Light & Power Company as of April 1, 1911, was recorded at cost to utility, by charges to plant accounts amounting to $45,583.90. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST AND ACQUISITION ADJUSTMENT

No books or records except the minute book of The Klickitat Light & Power Company are available. However, an audit report as of March 31, 1911, made by W. R. Mackenzie and Son, Certified Public Accountants, is available and shows property and plant amounting to $44,456.14, and furniture and fixtures of $47.41, or a total of $44,503.55, which for the purposes of this Statement B is assumed to be original cost at date of acquisition by Pacific Company.

OTHER PHYSICAL PROPERTY

Certain power plant lands acquired in connection with this property, and still owned by Pacific Company on December 31, 1936, were not then being used for utility operations. For purposes of this reclassification statement, these lands should be classified in Account 110, Other Physical Property, and in Statement 4 are included in Account 110 at an estimated original cost based on information obtained from deed records, which estimated original cost also is assumed to be cost to Pacific Company.

Acquisition No. 5

Statement 5

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$ 81,572.56	
Electric Plant Acquisition Adjustments	E100.5	164,979.19	
Other Utility Plant	108	40,342.74	
Utility Plant in Process of Reclassification	100.6		$286,894.49

Explanation

The acquisition of the Hood River Light & Power Company properties, as of April 1, 1911, was recorded at cost to utility, by charges to plant accounts amounting to $286,894.49. No segregation of this amount between electric and water utilities, or between fixed capital accounts has been made in the company's records.

Acquisition No. 5 - Continued

ORIGINAL COST AND ACQUISITION ADJUSTMENTS

Some records of Hood River Light & Power Company, including a trial balance book and a minute book, are available. As of April 1, 1911, the electric plant according to the trial balance amounted to $81,572.56 and the water plant was $40,342.74, and these amounts for the purposes of this Statement B are assumed to represent original costs at date of acquisition by Pacific Company.

At the date of acquisition, the water plant was in the process of being acquired by the City of Hood River. Since the amount received for the water system, $32,441.00, was less than the original cost of the system, none of the acquisition adjustment is assigned to the water property. The recorded cost of the water system on the books of Hood River Light & Power Company in the absence of any better information is assumed to be cost to Pacific Company.

Acquisition No. 6

Statement 6

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$52,104.26	
Electric Plant Acquisition Adjustments	E100.5	39,260.64	
Utility Plant in Process of Reclassification	100.6		$91,364.90

Explanation

The acquisition of the Tucannon Power Company properties, as of April 1, 1911, was recorded at cost to utility by charges to plant accounts amounting to $91,364.90. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST AND ACQUISITION ADJUSTMENT

No books or records of Tucannon Power Company with the exception of the minute book are available. An audit report as of January 31, 1911, made by W. R. Mackenzie and Son, Certified Public Accountants, states that the property and plant amounts to $22,104.26. It also states that $30,000.00 has been arbitrarily eliminated from the amount shown on the company's books. Since the reproduction cost new of this system as determined by Hagenah as of June 30, 1912, adjusted back to date of acquisition by Pacific Company was more than $75,000.00, the estimated original cost for the purposes of this Statement B is assumed to have been the book figure or $52,104.26 at date of acquisition by Pacific Company. The difference between the estimated original cost and cost to utility is $39,260.64, which is considered to be the electric plant acquisition adjustment.

Acquisition No. 7

Statement 7

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$56,761.37	
Electric Plant Acquisition Adjustments	E100.5	40,648.17	
Other Utility Plant	108	7,247.00	
Utility Plant in Process of Reclassification	100.6		$104,656.54

Explanation

The acquisition of the Dayton Electric Company properties, as of May 1, 1911, was recorded at cost to utility by charges to plant accounts amounting to $104,656.54. No segregation of this amount between utilities or fixed capital accounts has been made in the company's records.

ORIGINAL COST

Part of the books and records of Dayton Electric Company are available and information concerning plant and property is contained in audit reports by W. R. Mackenzie and Son, Certified Public Accountants. According to the audit report as of January 31, 1911, the book cost of the property and furniture and fixtures was $62,323.03, including $5,561.66 for the ice plant property. There were no additions between January 31, 1911, and April 30, 1911. The book cost of electric property was $56,761.37, which for the purposes of this Statement B is assumed to be original cost at date of acquisition by Pacific Company.

ACQUISITION ADJUSTMENTS

When the ice plant property was retired in 1920, the amount retired for the property acquired was $7,247.00 based on an appraisal of the property by W. S. Barstow & Co., Engineers, as of April 15, 1911. This was an excess over original cost of $1,685.34, which may be taken to be the ice plant acquisition adjustment.

Acquisition No. 8

Statement 8

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$50,858.11	
Electric Plant Acquisition Adjustments	E100.5		$ 5,873.41
Other Physical Property	110	360.00	
Utility Plant in Process of Reclassification	100.6		45,344.70

Acquisition No. 8 - Continued

Explanation

The acquisition of the Waitsburg Electric Light Company properties, as of May 1, 1911, was recorded at cost to utility by charges to plant accounts amounting to $45,344.70. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST AND ACQUISITION ADJUSTMENT

With the exception of a minute book, no books, records or audit reports of Waitsburg Electric Light Company are available. By using the average ratio of original cost to the Hagenah determination of reproduction cost new as of December 31, 1912, adjusted back to date of acquisition of all the similar properties acquired in 1911, the original cost would be $51,218.11 and this is the amount used in this Statement B as the estimated original cost of the system at date of acquisition by Pacific Company. The resulting acquisition adjustment is a credit of $5,873.41.

OTHER PHYSICAL PROPERTY

Certain lands acquired in connection with this property and still owned by Pacific Company on December 31, 1936, were not then being used in connection with utility operations. For the purpose of this reclassification statement, these lands should be reclassified in Account 110, Other Physical Property, and in Statement 8 are included in Account 110 at an estimated original cost based on information obtained from deed records, which estimated original cost also is assumed to be cost to Pacific Company at time of acquisition.

Acquisition No. 9

Statement 9

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$28,471.54	
Electric Plant Acquisition Adjustments	E100.5	9,158.42	
Other Physical Property	110	2,060.00	
Utility Plant in Process of Reclassification	100.6		$39,689.96

Explanation

The acquisition of the properties of Reservation Electric Company, as of September 30, 1911, was recorded at cost to utility, by charges to plant accounts amounting to $39,689.96. No segregation of this amount between the fixed capital accounts has been made in the company's records.

Acquisition No. 9 - Continued

ORIGINAL COST AND ACQUISITION ADJUSTMENT

Some of the books and records of Reservation Electric Company are available and show a total plant account of $30,531.54 as of September 30, 1911, and for the purposes of this Statement B this is assumed to be original cost at date of acquisition by Pacific Company.

OTHER PHYSICAL PROPERTY

Certain lands acquired in connection with this property were still owned by Pacific Company on December 31, 1936, but were not then being used in utility operations. These lands for the purpose of this reclassification statement should be reclassified in Account 110, Other Physical Property, and in Statement 9 are included in Account 110 at an estimated original cost based on information obtained from deed records, which estimated original cost also is assumed to be cost to Pacific Company at time of acquisition.

Acquisition No. 10

Statement 10

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$2,000.00	
Utility Plant in Process of Reclassification	100.6		$2,000.00

Explanation

The acquisition of the Huntsville, Washington, distribution system from Corbett Bros., as of December 31, 1912, was recorded at cost to utility, by charges to plant accounts amounting to $2,000.00. No segregation of this amount between fixed capital accounts has been made in the company's records.

No information concerning the actual original cost of this property is available and for the purposes of this Statement B the amount paid has been assumed to be the original cost at time of acquisition by Pacific Company.

Acquisition No. 11

Statement 11

	Account No.	Debit	Credit
Gas Plant in Service		$139,926.04	
Utility Plant in Process of Reclassification	100.6		$139,926.04

Explanation

The acquisition of the Vancouver Gas Company property, as of February 16, 1914, was recorded at cost to utility, by a charge to plant accounts in the amount of $139,926.04.

The entire amount of this acquisition, together with all subsequent net additions, was retired from the plant accounts when the property was sold in 1925, and no determination of original cost has been made.

Acquisition No. 12

Statement 12

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$ 68,290.50	
Electric Plant Acquisition Adjustments	E100.5	115,718.63	
Utility Plant in Process of Reclassification	100.6		$184,009.13

Explanation

The acquisition of the Hydro Electric Company properties, as of October 31, 1915, was recorded at cost to utility, by charges to plant accounts amounting to $184,009.13. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST AND ACQUISITION ADJUSTMENT

Some of the records of Hydro Electric Company are available. The amount of fixed capital as of September 30, 1915, the last date for which a record is available, is $203,255.59. This includes an amount of $150,000.00 entered on the books for lands and water rights, which left $53,255.59 for other property. The lands were subsequently valued at $28,966.00 by the Railroad Commission of Oregon but have an estimated original cost of $15,034.91 based on information obtained from deed records. On the basis of the fore-

Acquisition No. 12 - Continued

Original Cost and Acquisition Adjustment - Continued

going information the original cost of the entire property at time of acquisition by Pacific Company may be estimated for the purposes of this Statement B at $68,290.50 and the acquisition adjustment at $115,718 63.

Acquisition No. 13

Statement 13

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$65,000.00	
Electric Plant Acquisition Adjustments	E100.5	21,683.76	
Utility Plant in Process of Reclassification	100.6		$86,683.76

Explanation

The acquisition of the properties of Seaside Light and Power Company, on April 24, 1916, was recorded at cost to utility, by a charge to plant accounts in the amount of $86,683.76. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST

No books or records of Seaside Light and Power Company are available. From examination of various audit and engineering reports made at about the time of and before acquisition by Pacific Company, the original cost at date of acquisition by Pacific Company has been estimated as $65,000.00 for the purposes of this Statement B.

Acquisition No. 14

Statement 14

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$1,250.00	
Electric Plant Acquisition Adjustments	E100.5	77.60	
Utility Plant in Process of Reclassification	100.6		$1,327.60

Acquisition No. 14 - Continued

Explanation

The acquisition of the Gearhart Park Company property in July, 1916, was recorded on the books of the utility at the actual acquisition cost of $1,327.60 including $77.60 expense incident to acquirement. In 1917, the system was completely rebuilt, with only the transformers and meters from the original purchase remaining in service. The estimated cost of transformers and meters was $621.00, and the remainder of purchase price of $1,250.00 was retired. For the purposes of this Statement B, the original cost at time of acquisition by Pacific Company is assumed to have been $1,250.00, the amount paid for the property.

Acquisition No. 15

Statement 15

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$2,127.35	
Utility Plant in Process of Reclassification	100.6		$2,127.35

Explanation

The acquisition of the Attalia, Washington, distribution system from Attalia Dairy Products Company, as of May 1, 1917, was recorded at cost to utility by a charge to plant accounts in the amount of $2,127.35. No segregation of this amount between the fixed capital accounts has been made in the company's records.

Records of original cost of this system are not available. In absence of any records original cost is taken to be the amount paid for the system by Pacific Company.

Acquisition No. 16

Statement 16

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$2,500.00	
Utility Plant in Process of Reclassification	100.6		$2,500.00

Acquisition No. 16 - Continued

Explanation

The acquisition of the Burbank, Washington, distribution system from Burbank Company, on July 23, 1918, was recorded at cost to utility, by a charge to plant accounts in the amount of $2,500.00. No segregation of this amount between the fixed capital accounts has been made in the company's records.

Details of original cost of this system are not available. A list of the items of property acquired indicates that the original cost would be at least the amount paid for the system, and such amount is assumed for the purposes of this statement to have been the original cost at date of acquisition by Pacific Company.

Acquisition No. 17

Statement 17

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$17,052.69	
Electric Plant Acquisition Adjustments	E100.5	1,512.62	
Other Physical Property	110	150.00	
Utility Plant in Process of Reclassification	100.6		$18,715.31

Explanation

The acquisition of the Cannon Beach Electric Company properties, on September 24, 1928, was recorded at cost to utility, by a charge to plant accounts in the amount of $18,715.31. No segregation of this amount between fixed capital accounts has been made in the company's records.

ORIGINAL COST

No books or records of Cannon Beach Electric Company, which was not incorporated, are available. The annual report to the regulatory commission gives a total of $17,052.69 for fixed capital as of December 31, 1927, and for the purposes of this Statement B this amount is assumed to represent original cost at time of acquisition by Pacific Company. In addition to the property covered by this estimated original cost of $17,052.69, Pacific Company received for its purchase price non-operating land for which the estimated original cost based on information obtained from deed records was

Acquisition No. 17 - Continued

Original Cost - Continued

$150.00. As of December 31, 1936, this land was owned by Pacific Company but not devoted to utility operations, and has been reclassified in Account 110, Other Physical Property, at its estimated original cost which is also assumed to be cost to Pacific Company.

Acquisition No. 18

Statement 18

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$6,565.30	
Utility Plant in Process of Reclassification	100.6		$6,565.30

Explanation

The acquisition of a small rural distribution system in Hood River Valley, Oregon, from Hood Light Company, a voluntary, non-profit association which purchased power wholesale from Pacific Power & Light Company for use by its members, was made on September 18, 1928, and recorded at cost to utility, by a charge to plant accounts in the amount of $6,565.30. No segregation of this amount between the fixed capital accounts has been made in the company's records.

No cost records of this property are available. An inventory of the property acquired indicates that the amount paid may be assumed reasonably to be original cost as of September 18, 1928, for the purposes of this Statement B.

Acquisition No. 19

Statement 19

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$2,341,891.73	
Electric Plant Leased to Others	E100.2	1,156,766.25	
Electric Plant Acquisition Adjustments	E100.5	486,744.98	
Other Utility Plant	108	160,512.38	
Other Physical Property	110	2,202,677.13	
Investments in Associated Companies	111	232,002.22	
Unamortized Debt Discount and Expense	140	1,576,377.74	
Utility Plant in Process of Reclassification	100.6		$8,156,972.43

Explanation

The acquisition as of August 1, 1930, of all the properties (except three licensed power projects) then owned by Inland Power & Light Company, the acquisition of the Public Service Building and the acquisition of the common stock of Inland Power & Light Company were recorded by a charge to plant accounts in the amount of $8,156,972.43. No segregation of the amount of $8,156,972.43 between electric, water, ice, steam heat and non-utility property, or between fixed capital accounts, had been made in the company's books on December 31, 1936.

The company, in its original Statement E, used an amount of $1,209,612.71 for Investments in Associated Companies, as the assumed cost to it of the common stock of Inland Power & Light Company acquired from American Power & Light Company in 1930. This figure had been entered on Pacific's books on December 31, 1937, and had been arrived at by a computation which gave no consideration to the Debt Discount and Expense incurred in the 1930 transaction. It was the balancing figure arrived at by subtracting from the total par or stated value of securities issued by the company at that time ($18,745,000), the total of known cost to American of the Public Service Building ($2,186,387.29) the cash received by Pacific from American ($10,829,000), the face value of preferred stock surrendered to Pacific ($190,000), and the face amount of certain notes of Inland Company ($4,330,000) which were canceled by American at that time.

Further study and inquiry concerning the 1930 acquisition, made since the filing of Statement E, establish that the underlying basis of the 1930 transaction was that costs to Pacific would not exceed the costs to American of the various considerations to be turned over to Pacific at that time, taking into consideration as part of such costs the amount of the debt discount and expense then to be incurred. On that basis, the cost to Pacific for the Inland stock cannot be assumed to be in excess of its then and now known cost to American. The total cost of $8,156,972.43, entered in Pacific's fixed capital account on July 31, 1930, as the net cost to it of the Public Service Building, the Inland capital stock, and other plant and property then acquired, has therefore been resegregated as follows:

Acquisition No. 19 - Continued

Explanation - Continued

Cost of Inland Stock	$ 232,002.22
Cost of Public Service Building	2,186,387.29
Debt Discount and Expense	1,576,377.74
Other Plant and Property	4,162,205.18
Total	$8,156,972.43

A detailed explanation of the segregation of the above amount of $4,162,205.18 appears below in the tabulation and discussion under Statement 19a. As will later appear, the cost to Pacific of the property making up this total of $4,162,205.18 was substantially less than the actual cost of such property to American.

ORIGINAL COST

The books of most of the companies whose properties were acquired by Inland Power & Light Company, and later transferred to Pacific, are still available. The following paragraphs discuss the recorded costs of these properties and the methods of estimating where records were not available.

Inland Power & Light Company was incorporated May 14, 1923, under the laws of the State of Oregon. It constructed a number of transmission lines and acquired several electric operating properties by purchase, making substantial additions and improvements to these properties after acquisition. Among the acquisitions which it made, parts or all of the following were later acquired by Pacific Power & Light Company. This tabulation shows the amounts at which the acquisitions were recorded on Inland Company's books:

Properties of Sherman Electric Company, Deschutes Power & Light Company, Enterprise Electric Co., Grangeville Electric Light & Power Company, Ltd., Deschutes Ice Company and Yakima Central Heating Company	$3,723,366.77
Ridgefield Light & Power Company	618,717.27
Fossil Milling Company	5,146.01
Black Rock Power & Irrigation Company	33,314.14
Puget Sound Power & Light Company (Rainier property)	185,901.75
Puget Sound Power & Light Company (Kalama-Woodland property)	172,648.82

The original cost of all the property (except the Fossil property where cost to Inland Company is assumed to be original cost) acquired and transferred to Pacific Power & Light Company will be discussed in following paragraphs. The net additions to the property later transferred to Pacific Company which Inland Company made and which are recorded on its books amounted to $966,292.44

Acquisition No. 19 - Continued

Original Cost - Continued

(including Fossil) for electric plant owned and operated by Pacific Company as of July 31, 1930, the date of sale to Pacific Company, $383,024.81 for electric plant owned by Pacific Company and leased to others, as of July 31, 1930, and $2,252.91 for the Prineville water system.

Sherman Electric Company was incorporated January 17, 1920, under the laws of the State of Oregon. Its books are available and include the following acquisitions at the amounts shown:

Atwood-Lee Company	$ 4,500.00
City of Moro	2,500.00
City of Grass Valley	2,500.00
Condon Electric Company	35,589.88
The Heppner Light and Water Company	28,598.44
City of Arlington	7,069.40
City of Ione	3,526.71

Excluding the properties acquired from Condon Electric Company, The Heppner Light and Water Company, City of Arlington and City of Ione, the books of Sherman Electric Company show the recorded cost of Sherman Electric Company properties was $290,144.65 as of January 1, 1928, the date of acquisition by Inland Power & Light Company. For the purposes of this Statement B this amount is assumed to be the original cost of the properties, with the exceptions noted, as of said date.

Condon Electric Company was incorporated July 18, 1905, under the laws of the State of Oregon. No books of this company except a cash book and an accounts receivable ledger are available. However, a balance sheet as of October 14, 1926, and the annual reports to the Public Service Commission of Oregon are available and show a total of $13,256.10 for electric plant (excluding the generating equipment which was retired before transfer to Pacific Company) and $1,053.67 for non-utility property as of January 1, 1927, the date of acquisition by Sherman Electric Company. For the purposes of this Statement B these amounts are assumed to represent original costs at said date of acquisition.

The Heppner Light and Water Company was incorporated August 19, 1892, under the laws of the State of Oregon. The early books of the company are not available. However, the Public Service Commission of Oregon, in connection with a rate and valuation proceeding in 1918, recommended and approved the adjustment of the Heppner Company's books to show electric system fixed capital in the amount of $77,718.01 as of January 1, 1918. With this entry plus subsequent recorded net additions, the total electric fixed capital as shown by the books of Heppner Light and Water Company was $79,562.32 on January 1, 1927, the date of acquisition by Sherman Electric Company, this amount being assumed for the purposes of this Statement B to represent original cost as of said date. Included in the amount of $79,562.32 is certain land which was still owned by Pacific Company on December 31, 1936, but then not being used

Acquisition No. 19 - Continued

Original Cost - Continued

for utility operations, the original cost of which land is estimated to have been $1,110.00.

The original cost of the distribution system obtained from the City of Ione for the purposes of this Statement B is assumed to be $3,526.71, the cost of the system to Sherman Electric Company.

The purchase price of the system obtained from the City of Arlington has been eliminated from further consideration in this statement, because the generating equipment was sold and the distribution system completely replaced immediately after acquisition by Sherman Electric Company.

Deschutes Power & Light Company was incorporated on November 1, 1904, under the laws of the State of Oregon as Bend Water, Light and Power Company. Its books are available and as of January 1, 1928, the date of acquisition by Inland Company, record amounts of $487,093.63 for electric property, $341.77 for the Prineville water system and $10,201.74 for other non-utility property. These amounts which are assumed to represent original costs for the purposes of this statement, exclude the property acquired from Des Chutes Power Company, the acquisition of which was recorded in the books of Deschutes Power & Light Company in an amount of $490,411.54. Properties acquired from Des Chutes Power Company, in addition to electric properties, included the Prineville water system.

Des Chutes Power Company was incorporated January 27, 1913, under the laws of the State of Washington. Its books are available and record amounts of $224,848.26 for electric property (excluding Cove Generating Station which was not acquired by Pacific Company), $51,055.47 for the Prineville water system and $448.43 for other non-utility property as of January 1, 1926, the date of acquisition by Deschutes Power & Light Company. These amounts are assumed to represent original costs as of January 1, 1926.

Enterprise Electric Co. was incorporated June 15, 1911, under the laws of the State of Oregon. The books of this company are available and record amounts totaling $199,452.67 for electric property (excluding Wallowa Falls Generating Station which was not acquired by Pacific Company) and an amount of $3,476.00 for non-utility land, as of January 1, 1928, the date of acquisition by Inland Power & Light Company, and these amounts are assumed to represent original costs as of said date for the purposes of this Statement B.

The books of both Yakima Central Heating Company and Deschutes Ice Company are available. These books record the costs of the steam heat system and the ice property as $76,477.90 and $30,384.33, respectively, on January 1, 1928, the date of acquisition by Inland Company. These costs are assumed to be original costs for the purposes of this Statement B.

Ridgefield Light & Power Company had been incorporated April 7, 1921, under the laws of the State of Washington and its books and records are available. The electric property acquired by Inland Company from Ridgefield Light

Acquisition No. 19 - Continued

Original Cost - Continued

& Power Company is recorded on the books of the Ridgefield Company as of January 1, 1930, in the amount of $570,044.46, excluding cost of properties acquired from Clarke County Water, Light and Power Company and including the cost of acquisition of the Ridgefield distribution system from Bratlie-McClelland Mill Co. for $5,240.00 and the cost of acquisition of the Yacolt distribution system from the City of Yacolt for $3,230.90. This amount is assumed to represent original cost of the included properties as of January 1, 1930.

The purchase of the property of Clarke County Water, Light and Power Company as of October 15, 1927, was recorded on the books of the Ridgefield Company by a plant entry of $36,637.74. Such books of Clarke County Water, Light & Power Company as are available and a balance sheet as of October 15, 1927, the date when the property of that company was acquired by Ridgefield Light & Power Company, show a plant investment of $72,207.54, which included the capitalization of $26,000.00 common stock. For the purposes of this Statement B, the difference between these two amounts, or $46,207.54, is assumed to be the original cost of the physical units of property acquired by Ridgefield Company.

The electric property acquired from Black Rock Power & Irrigation Company was retired from property accounts on the books of that company at an amount of $78,824.95 when it was sold to Inland Power & Light Company, and in the absence of better information this amount is assumed for the purpose of this Statement B to be the original cost of the property as of the date of acquisition by Inland Company on December 2, 1926.

The electric systems at Rainier, Oregon, and at Kalama and Woodland, Washington, including rural lines in the vicinity of these towns, were acquired from Puget Sound Power & Light Company as of January 1, 1926.

Book records covering the Rainier property are not available. However, an annual report for the year ending December 31, 1925, filed with the Public Service Commission of Oregon, shows a total fixed capital of $78,324.20 and unfinished construction amounting to $14,840.37, making a total of $93,164.57 for the Rainier electric system as of December 31, 1925. Analysis of such fragmentary information as is available indicates that these fixed capital figures were originally based on an appraisal by Thompson & Montague, as of January 1, 1913, and included an appraisal value of $20,750.00 for intangibles. In the absence of better information, it is assumed for the purposes of this Statement B that the original cost of the Rainier physical property acquired from Puget Sound Power & Light Company was $93,164.57 less $20,750.00 or $72,414.57 as of January 1, 1926, the date of acquisition by Inland Power & Light Company.

An estimate, $85,074.87, has been calculated as the original cost of the Kalama and Woodland, Washington, properties as of January 1, 1926, for the purposes of this Statement B. In so far as can be determined the Rainier and the Kalama-Woodland properties as they existed on January 1, 1926, had been

Acquisition No. 19 - Continued

Original Cost - Continued

constructed over approximately the same period of time and under approximately the same conditions. The estimate of $85,074.87 as the original cost of the Kalama-Woodland property is based on the assumption that the original cost as of January 1, 1926, plus known recorded subsequent net additions to December 31, 1932, bears the same ratio to the reproduction cost new of the property as of December 31, 1932, estimated by Mr. E. C. Willard, as the ratio similarly computed for the Rainier property.

The total original cost as estimated above for the Rainier, Kalama and Woodland properties purchased from Puget Sound Power & Light Company is $157,489.44 as of January 1, 1926, the date of acquisition by Inland Company.

The books of Public Service Building are available and record an actual original cost of $2,282,853.89 as of August 1, 1930, the date of acquisition by Pacific Power & Light Company. The cost to Pacific Company of the Public Service Building has been stated to be $2,186,387.29 and for the purposes of this Statement B, that amount is included in Account 110, Other Physical Property.

The estimated original costs of the properties discussed in detail in the foregoing paragraphs are summarized in the following Statement 19a.

Acquisition No. 19 - Continued

Original Cost - Continued

Statement 19a

Original Cost - Public Service Building
and Properties Acquired from Inland Power & Light Company

	Account 100.1 Electric Plant in Service	Account 100.2 Electric Plant Leased to Others	Account 108 Other Utility Property	Account 110 Other Physical Property
Inland Power & Light Company - Company's own construction to August 1, 1930, plus cost of Fossil acquisition	$ 966,292.44	$ 383,024.81	$ 2,252.91	$
Sherman Electric Company	290,144.65			1,053.67
Condon Electric Company	13,256.10			
The Heppner Light and Water Company	78,452.32			1,110.00
City of Ione	3,526.71			
Deschutes Power & Light Company	487,093.63		341.77	10,201.74
Des Chutes Power Company	224,848.26		51,055.47	448.43
Enterprise Electric Co.	199,452.67			3,476.00
Yakima Central Heating Company			76,477.90	
Deschutes Ice Company			30,384.33	
Ridgefield Light & Power Company		570,044.46		
Clarke County Water, Light and Power Company		46,207.54		
Black Rock Power & Irrigation Company	78,824.95			
Puget Sound Power & Light Company		157,489.44		
Public Service Building				2,282,853.89
Total	$2,341,891.73	$1,156,766.25	$160,512.38	$2,299,143.73

ACQUISITION ADJUSTMENTS

The difference between the total recorded cost to Pacific Power & Light Company and the assumed original costs as shown above for the purposes of this statement are included in Account 100.5, Electric Plant Acquisition Adjustments, as indicated in Statement 19 above.

Acquisition No. 19 - Continued

Acquisition Adjustments - Continued

The total acquisition adjustment of $486,744.98, shown in Account E100.5, Electric Plant Acquisition Adjustments, in Statement 19 above, has been subdivided, and a part thereof has been allocated to Account E100.2, Electric Plant Leased to Others. The amount so allocated was determined by deducting from the purchase prices recorded on the books of the Inland Company (except in the case of the Clarke County Water, Light and Power Company properties referred to in the note below), the estimated original costs as detailed above for properties now leased by Pacific to others. This results in an acquisition adjustment of $203,526.40 applying to Account E100.2, Electric Plant Leased to Others, as shown in Statement 19b.

Statement 19b

Acquisition Adjustments Applying to
Account 100.2, Electric Plant Leased to Others

	Amount entered on Purchasing Company's Books for Property Acquired	Estimated Original Cost Assumed for this Statement	Acquisition Adjustment
Puget Sound Power & Light Company (Rainier property)	$ 185,901.75	$ 72,414.57	$113,487.18
Puget Sound Power & Light Company (Kalama-Woodland property)	172,648.82	85,074.87	87,573.95
Ridgefield Light & Power Company	618,717.27	606,682.20	12,035.07
Clarke County Water, Light and Power Company	36,637.74	46,207.54	9,569.80*
Total	$1,013,905.58	$810,379.18	$203,526.40

*Denotes credit.

Note: The amount shown in Statement 19b for Ridgefield Light & Power Company, whose entire capital stock Inland Company acquired in 1925, includes the amount entered on the books of the Ridgefield Company for the purchase of Clarke County Water, Light and Power properties.

Acquisition No. 20

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$6,137.74	
Electric Plant Acquisition Adjustments	E100.5	12.26	
Utility Plant in Process of Reclassification	100.6		$6,150.00

Explanation

The acquisition of the distribution system at Connell, Washington, from Connell Power & Light Company was made on October 18, 1935, and recorded at cost to utility by a charge to plant accounts in an amount of $6,000.00. Subsequently, the street lighting system was acquired from the Town of Connell at a cost of $150.00. No segregation of these amounts between fixed capital accounts has been made in the company's records.

ORIGINAL COST

No details of original cost of the distribution system acquired are available. By applying actual unit costs developed in the course of the reclassification studies for the Pasco district, of which the Connell system is a part, to an inventory of the property acquired, an estimated original cost of $6,137.74 is obtained, and for the purposes of this Statement B, that amount is assumed to be original cost.

Gross Plant Additions

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$19,157,020.03	
Electric Plant Leased to Others	E100.2	1,014,482.73	
Electric Plant Acquisition Adjustments	E100.5	14,177.27	
Electric Plant Adjustments	107	42,554.68	
Other Utility Plant	108	2,106,716.62	
Other Physical Property	110	47,688.63	
Capital Stock Expense	151	36,009.72	
Utility Plant in Process of Reclassification	100.6		$22,418,649.68

Explanation

To reclassify the recorded gross plant additions (exclusive of acquisitions) from July 1, 1910, to December 31, 1936.

Gross Plant Additions - Continued

Explanation - Continued

The amount included in Account 100.5, Electric Plant Acquisition Adjustments, consists of the following items: (1) An amount of $4,989.73 transferred in the staffs' report from recorded book costs to Account 107, this amount having been classified by the staffs as costs incident to property acquisitions; and (2) an amount of $9,187.54 covering resurvey expense in connection with the records of purchased properties, this amount having been classified by the staffs as costs incident to property acquisitions and transferred in the staffs' report from recorded book cost to Account 107.

The amount of $540.07 included in Account 108, Other Utility Plant, represents cost of resurvey of the Kennewick water system, this amount having been classified by the staffs as cost incident to property acquisitions and transferred in the staffs' report from recorded book cost to Account 107.

The amount of $42,554.68 included in Account 107, Electric Plant Adjustments, is the net amount transferred in the staffs' report from recorded book cost of the Powerdale Plant to Account 107, this amount having been classified by the staffs as representing improper charges to production plant.

Retirements

	Account No.	Debit	Credit
Utility Plant in Process of Reclassification	100.6	$8,852,063.77	
Electric Plant in Service	E100.1		$5,095,175.60
Electric Plant Leased to Others	E100.2		177,123.09
Other Utility Plant	108		3,385,109.06
Other Physical Property	110		194,656.02

Explanation

To reclassify the retirements as recorded in the books of Pacific Company during the period July 1, 1910, to December 31, 1936.

Adjustment to Reconcile to Priced Inventory

	Account No.	Debit	Credit
Electric Plant in Service	E100.1	$188,807.71	
Electric Plant Leased to Others	E100.2		$ 50,321.87
Electric Plant Acquisition Adjustments	E100.5		138,485.84

Explanation

To adjust original cost figures developed in revised Statement B so as to reconcile with original cost developed from December 31, 1936, priced inventory.

Many of the retirements of physical property made by Pacific Power & Light Company have been made on the basis of estimates using reproduction cost new at the time when the property was acquired or other estimates which would be higher than original cost. This is believed to be the principal reason for the difference between the two sets of figures.

Other Utility Plant Retirements
Adjustments Recorded Subsequent to December 31, 1936

	Account No.	Debit	Credit
Retirement Reserve	250	$612,013.78	
Other Utility Plant	108		$612,013.78

Explanation

To adjust Other Utility Plant so as to reflect retirements adjustments recorded subsequent to December 31, 1936. The additional amounts retired apply to all property other than electric systems, Kennewick water system, Prineville water system and Yakima steam heat system, and the adjusted retirement represents original cost of the physical properties and acquisition adjustments applicable to the systems.

PACIFIC POWER & LIGHT COMPANY

Reclassification Summary Statement
Showing plant account balance as of January 1, 1937, reclassified according to principal account groups, for each acquisition and for gross additions and retirements

Acquisition No.		Column 1 Total - Utility Plant in Process of Reclassification	Column 2 K100.1 Electric Plant in Service	Column 3 K100.2 Electric Plant Leased to Others	Column 4 K100.3 Construction Work in Progress	K100.5 Electric Plant Acquisition Adjustments: Column 5 Acquisition Adjustment Cost	Column 6 Part represented by difference between cost to Pacific and cost to American	Column 7 Remainder of Acquisition Adjustment Cost (Column 5 less Column 6)	Column 8 K107 Electric Plant Adjustments	Column 9 108 Other Utility Plant	Column 10 110 Other Physical Property	Column 11 111 Investments in Associated Companies	Column 12 140 Unamortized Debt Discount and Expense	Column 13 151 Capital Stock Expense	Column 14 250 Retirement Reserve
1	Columbia Power & Light Company, Yakima-Pasco Power Company, and Astoria Electric Company	$10,900,000.00	$ 2,287,013.50	$	$	$6,239,335.19	$4,907,248.66(a)	$1,332,086.53	$	$1,707,828.57	$ 217,206.49	$	$ 448,616.25	$	$
2	Husum Power Company	47,681.45	21,989.64			23,759.81		23,759.81			1,932.00				
3	The Prosser Power Company and Prosser Water Company	130,830.44	80,968.99			5,738.56		5,738.56		43,172.89	950.00				
4	The Klickitat Light & Power Company	45,583.90	42,940.12			1,080.35		1,080.35			1,563.43				
5	Hood River Light & Power Company	286,894.49	81,572.56			164,979.19		164,979.19		40,342.74					
6	Tucannon Power Company	91,364.90	52,104.26			39,260.64		39,260.64							
7	Dayton Electric Company	104,656.54	56,761.37			40,648.17		40,648.17		7,247.00					
8	Weiteburg Electric Light Company	45,344.70	50,858.11			5,873.41*		5,873.41*			360.00				
9	Reservation Electric Company	39,689.96	28,471.54			9,158.42		9,158.42			2,060.00				
10	Corbett Bros.	2,000.00	2,000.00												
11	Vancouver Gas Company	139,926.04								139,926.04					
12	Hydro Electric Company	184,009.13	68,290.50			115,718.63		115,718.63							
13	Seaside Light and Power Company	86,683.76	65,000.00			21,683.76		21,683.76							
14	Gearhart Park Company	1,327.60	1,250.00			77.60		77.60							
15	Attalie Deiry Products Company	2,127.35	2,127.35												
16	Burbank Company	2,500.00	2,500.00												
17	Cannon Beach Electric Company	18,713.31	17,052.69			1,512.62		1,512.62			150.00				
18	Hood Light Company	6,565.30	6,565.30												
19	Inland Power & Light Company properties and common stock and Public Service Building	8,156,972.43	2,341,891.73	1,156,766.25		486,744.98(c)	598,767.25*(b)	1,085,512.23		160,512.38	2,202,677.13	232,002.22	1,576,377.74		
20	Connell Power & Light Company	6,150.00	6,137.74			12.26		12.26							
	Gross Plant Additions	22,418,649.68	19,157,020.03	1,014,482.73		14,177.27		14,177.27	42,554.68	2,106,716.62	47,688.63			36,009.72	
	Retirements	8,852,065.77*	5,095,175.60*	177,123.09*						3,385,109.06*	194,656.02*				
	Retirement adjustments and other adjustments necessary to agree with original cost as determined as of January 1, 1937	-0-	188,807.71	50,321.87*		138,485.84*	138,485.84*			612,013.78*					612,013.78
	Construction Work in Progress	87,906.63			87,828.95					77.90					
	To reinstate Fruitvale Canal Property	-0-									188,136.86				188,136.86*
	Grand Totals - Plant Accounts as of January 1, 1937	$33,953,515.86	$19,466,147.54	$1,943,804.02	$87,828.95	$7,019,528.20	$4,169,995.57	$2,849,532.63	$42,554.68	$ 208,701.10	$2,468,068.52	$232,002.22	$2,024,993.99	$36,009.72	$423,876.92

* Indicates credit.

Notes (a) and (b) - See following sheet.
Note (c) - $205,526.40 of this amount is allocated to Account K100.2, as per Statement 19b, page 43, supra.

Notes to Preceding Summary Sheet

(a) Part of Acquisition Adjustment Cost on 1910 acquisition represented by difference between cost to Pacific and cost to American is computed as follows:

Par value or principal amount of securities issued by Pacific at organization:		
Common Stock	$6,000,000.00	
Preferred Stock	1,250,000.00	
First Mortgage 5% Bonds	3,200,000.00	
Total		$10,450,000.00
Investment of American in securities and properties transferred to Pacific for above securities of Pacific (per statement furnished by D. W. Jack, Treasurer of American)		$ 4,749,135.09
Difference		$ 5,700,864.91
Deduct:		
Amount of difference considered as applying to investment in stock of Walla Walla Valley Railway Company	$ 345,000.00	
Amount of difference considered as applying to Debt Discount and Expense	448,616.25	$ 793,616.25
Part of 1910 Acquisition Adjustment Cost represented by cost to Pacific less cost to American		$ 4,907,248.66

(b) Part of Acquisition Adjustment Cost on 1930 acquisition represented by difference between cost to Pacific and cost to American is computed as follows:

Additional stated value of common stock issued by Pacific in 1930 transaction with American	$1,245,000.00	
Additional investment by American in common stock of Pacific (per statement furnished by D. W. Jack, Treasurer of American)	$1,868,767.25	
Less discount incurred by American on sale of preferred stock	25,000.00	
Adjusted cost to American		$1,843,767.25
Part of 1930 Acquisition Adjustment Cost represented by cost to Pacific less cost to American		$ 598,767.25 (re

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT E

SUMMARY OF ADJUSTMENTS NECESSARY TO STATE

AS OF JANUARY 1, 1937

THE ACCOUNTS AS PRESCRIBED IN THE

FEDERAL POWER COMMISSION UNIFORM SYSTEM OF ACCOUNTS

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D-Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement E

The Commission's Order of May 11, 1937, requires each utility, in submitting the information called for in Electric Plant Instruction 2-D of the Uniform System of Accounts, to furnish among other things the following:

> "Statement E showing summary of adjustments necessary to state, as of January 1, 1937, Account 100, Electric Plant, including all its subsidiary accounts, and Account 107, Electric Plant Adjustments, as prescribed in the Uniform System of Accounts."

Revised Statement E as to Accounts 100.1, 100.2 and 107 embodies the revisions of former Statement E which were made necessary by changes in the determination of "original costs" of electric property as of January 1, 1937, resulting from adjustments recommended in the Joint Report and accepted by the Company. The rest of the accounts stated in this Revised Statement E are derived from Revised Statement B and the explanations set forth with respect thereto in Revised Statement B are applicable to this Revised Statement E.

The original costs shown in this Revised Statement E are the "original costs" determined as of January 1, 1937, in accordance with the Uniform System of Accounts and the Commission's interpretation thereof, to which reference has been made in the foregoing Introductory and Explanatory Statement; and the statement of such "original costs" in Revised Statement E is subject to the explanation and to the reservation of rights set forth on pages 12 to 15 of said Introductory and Explanatory Statement.

Will T. Neill, Vice President
Pacific Power & Light Company

PACIFIC POWER & LIGHT COMPANY

SUMMARY OF ADJUSTMENTS NECESSARY TO STATE
AS OF JANUARY 1, 1937
THE ACCOUNTS AS PRESCRIBED IN THE
FEDERAL POWER COMMISSION UNIFORM SYSTEM OF ACCOUNTS

	Account	Charge	Credit
100.	Electric Plant		
	100.1 Electric Plant in Service	$19,466,147.54	
	100.2 Electric Plant Leased to Others	1,943,804.02	
	100.3 Construction Work in Progress	87,828.95	
	100.5 Electric Plant Acquisition Adjustments	7,019,528.20	
	100.6 Electric Plant in Process of Reclassification		33,953,515.86
107.	Electric Plant Adjustments	42,554.68	
108.	Other Utility Plant	208,701.10	
110.	Other Physical Property	2,468,068.52	
111.	Investments in Associated Companies	232,002.22	
140.	Unamortized Debt Discount and Expense	2,024,993.99	
151.	Capital Stock Expense	36,009.72	
250.	Retirement Reserve	423,876.92	
		$33,953,515.86	$33,953,515.86

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT F

ACCOUNT 100. - ELECTRIC PLANT AS OF JANUARY 1, 1937

AND ACCOUNT 107. - ELECTRIC PLANT ADJUSTMENTS

CLASSIFIED IN ACCORDANCE WITH THE UNIFORM SYSTEM

OF ACCOUNTS EFFECTIVE JANUARY 1, 1937

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D-Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement F

The Commission's Order of May 11, 1937, requires each utility, in submitting the information called for in Electric Plant Instruction 2-D of the Uniform System of Accounts, to furnish among other things the following:

> "Statement F showing electric plant (balance sheet Account 100) as of January 1, 1937, classified according to the accounts prescribed in the Uniform System of Accounts, effective on that date, and showing also the amount includible in Account 107, Electric Plant Adjustments."

Revised Statement F embodies the revisions of former Statement F which were made necessary by changes in the determination of "original costs" of electric property as of January 1, 1937, resulting from adjustments recommended in the Joint Report and accepted by the Company. The amount included in Account 100.5 is fully described and explained in Revised Statement B.

The original costs shown in this Revised Statement F are the "original costs" determined as of January 1, 1937, in accordance with the Uniform System of Accounts and the Commission's interpretation thereof, to which reference has been made in the foregoing Introductory and Explanatory Statement; and the statement of such "original costs" in Revised Statement F is subject to the explanation and to the reservation of rights set forth on pages 12 to 15 of said Introductory and Explanatory Statement.

Will T. Neill, Vice President
Pacific Power & Light Company

PACIFIC POWER & LIGHT COMPANY

ACCOUNT 100. - ELECTRIC PLANT AS OF JANUARY 1, 1937
AND ACCOUNT 107. - ELECTRIC PLANT ADJUSTMENTS
CLASSIFIED IN ACCORDANCE WITH THE UNIFORM SYSTEM
OF ACCOUNTS EFFECTIVE JANUARY 1, 1937

100. ELECTRIC PLANT

100.1 Electric Plant in Service

I.	Intangible Plant			
301	Organization	$ 1,090.71		
302	Franchises and Consents	7,963.68		
303	Miscellaneous Intangible Plant	340.56	$	9,394.95
II.	Production Plant			
	(A) Steam Production			
310	Land and Land Rights	$ 23,877.45		
311	Structures and Improvements	345,078.30		
312	Boiler Plant Equipment	377,863.31		
314	Turbo-Generator Units	287,583.64		
315	Accessory Electric Equipment	36,581.65		
316	Miscellaneous Power Plant Equipment	2,783.94		
	(B) Hydraulic Production			
320	Land and Land Rights	244,293.97		
321	Structures and Improvements	404,007.00		
322	Reservoirs, Dams and Waterways	2,743,326.25		
323	Water Wheels, Turbines and Generators	505,224.29		
324	Accessory Electric Equipment	84,985.40		
325	Miscellaneous Power Plant Equipment	19,527.34		
326	Roads, Railroads and Bridges	4,571.74	$	5,079,704.28
III.	Transmission Plant			
340	Land and Land Rights	$ 320,663.80		
341	Clearing Land and Rights-of-Way	103,023.22		
342	Structures and Improvements	126,026.40		
343	Station Equipment	1,106,614.76		
344	Towers and Fixtures	122,036.37		
345	Poles and Fixtures	1,226,287.84		
346	Overhead Conductors and Devices	1,769,522.54		
348	Underground Conductors and Devices	5,115.65	$	4,779,290.58

100. ELECTRIC PLANT - Continued

100.1 Electric Plant in Service - Continued

IV.	Distribution Plant		
350	Land and Land Rights	$ 85,187.65	
351	Structures and Improvements	112,205.73	
352	Station Equipment	1,149,793.75	
354	Poles, Towers and Fixtures	2,169,680.31	
355	Overhead Conductors and Devices	1,574,736.99	
356	Underground Conduit	9,108.85	
357	Underground Conductors and Devices	15,941.20	
358	Line Transformers	1,740,789.41	
359	Overhead Services	392,075.05	
360	Meters	997,926.33	
363	Street Lighting and Signal Systems	276,169.62	$ 8,523,614.89
V.	General Plant		
370	Land and Land Rights		
	370-1 Office	$ 36,322.35	
	370-3 Stores	11,815.59	
	370-7 Miscellaneous	1,602.79	
371	Structures and Improvements		
	371-1 Office	178,509.17	
	371-2 Transportation	7,217.66	
	371-3 Stores	60,337.07	
	371-4 Shops	3,625.66	
	371-7 Miscellaneous	4,768.04	
372	Office Furniture and Equipment	183,731.30	
373	Transportation Equipment	187,377.71	
374	Stores Equipment	9,304.05	
375	Shop Equipment	15,150.03	
376	Laboratory Equipment	46,636.48	
377	Tools and Work Equipment	40,789.64	
378	Communication Equipment	235,617.67	
379	Miscellaneous Equipment	44,460.08	
390	Other Tangible Property	6,877.55	$ 1,074,142.84
	Total Account 100.1		$19,466,147.54

100.2 Electric Plant Leased to Others

III.	Transmission Plant		
340	Land and Land Rights	$ 96,081.63	
341	Clearing Land and Rights-of-Way	67,724.69	
342	Structures and Improvement	20,619.70	
343	Station Equipment	95,555.81	
345	Poles and Fixtures	77,864.67	
346	Overhead Conductors and Devices	163,380.00	$ 521,226.50

100. ELECTRIC PLANT - Continued

100.2 Electric Plant Leased to Others - Continued

IV.	Distribution Plant		
350	Land and Land Rights	$ 24,462.55	
352	Station Equipment	70,724.11	
354	Poles, Towers and Fixtures	518,478.01	
355	Overhead Conductors and Devices	394,722.55	
357	Underground Conductors and Devices	16,526.84	
358	Line Transformers	201,461.25	
359	Overhead Services	56,621.04	
360	Meters	91,891.73	
363	Street Lighting and Signal Systems	18,140.04	$ 1,393,028.12
V.	General Plant		
370	Land and Land Rights		
	370-3 Stores	$ 1,482.37	
	370-6 Communication	7,266.94	
371	Structures and Improvements		
	371-3 Stores	3,191.41	
378	Communication Equipment	17,608.68	$ 29,549.40
	Total Account 100.2		$ 1,943,804.02
100.5	Electric Plant Acquisition Adjustments		$ 7,019,528.20
	Total Account 100.5		$ 7,019,528.20
107.	ELECTRIC PLANT ADJUSTMENTS		$ 42,554.68

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT G

COMPARATIVE BALANCE SHEET

AS OF JANUARY 1, 1937

BEFORE AND AFTER MAKING ADJUSTING ENTRIES

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D—Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement G

The Commission's Order of May 11, 1937, requires each utility, in submitting the information called for in Electric Plant Instruction 2-D of the Uniform System of Accounts, to furnish among other things the following:

> "Statement G giving a comparative balance sheet, as of January 1, 1937, showing the accounts and amounts appearing in the books before the adjusting entries have been made and after such entries shall have been made."

Revised Statement G embodies the revisions of former Statement G necessary to reflect the revisions and adjustments set forth in detail and explained in Revised Statements B, E and F and in the foregoing Introductory and Explanatory Statement.

The original costs shown in this Revised Statement G are the "original costs" determined as of January 1, 1937, in accordance with the Uniform System of Accounts and the Commission's interpretation thereof, to which reference has been made in the foregoing Introductory and Explanatory Statement; and the statement of such "original costs" in Revised Statement G is subject to the explanation and to the reservation of rights set forth on pages 12 to 15 of said Introductory and Explanatory Statement.

Will T. Neill, Vice President
Pacific Power & Light Company

PACIFIC POWER & LIGHT COMPANY
COMPARATIVE BALANCE SHEET AS OF JANUARY 1, 1937
BEFORE AND AFTER MAKING ADJUSTING ENTRIES

Assets and Other Debits

	Before Adjustments	Adjustments	After Adjustments
UTILITY PLANT	$33,953,515.86	$33,953,515.86*	$
100 Electric plant			
100.1 Electric Plant in Service		19,466,147.54	19,466,147.54
100.2 Electric Plant Leased to Others		1,943,804.02	1,943,804.02
100.3 Construction Work in Progress		87,828.95	87,828.95
100.5 Electric Plant Acquisition Adjustments		7,019,528.20	7,019,528.20
107 Electric plant adjustments		42,554.68	42,554.68
108 Other utility plant		208,701.10	208,701.10
Total utility plant	33,953,515.86		28,768,564.49
INVESTMENT AND FUND ACCOUNTS			
110 Other physical property		2,468,068.52	2,468,068.52
111 Investments in associated companies	8,009,700.00	232,002.22	8,241,702.22
112 Other investments	38,800.63		38,800.63
Total investment and fund accounts	8,048,500.63		10,748,571.37
CURRENT AND ACCRUED ASSETS			
120 Cash	445,264.95		445,264.95
121 Special deposits	918.00		918.00
122 Working funds	13,505.00		13,505.00
124 Notes receivable	27,507.02		27,507.02
125 Accounts receivable	742,681.56		742,681.56
126 Receivables from associated companies	40,437.63		40,437.63
128 Interest and dividends receivable	1,648.76		1,648.76
131 Materials and supplies	266,595.69		266,595.69
132 Prepayments	26,803.65		26,803.65
Total current and accrued assets	1,565,362.26		1,565,362.26
DEFERRED DEBITS			
140 Unamortized debt discount and expense	151,127.10	2,024,993.99	2,176,121.09
145 Other work in progress	23,940.90		23,940.90
146 Other deferred debits	7,893.31		7,893.31
Total deferred debits	182,961.31		2,207,955.30
CAPITAL STOCK DISCOUNT AND EXPENSE			
151 Capital stock expense		36,009.72	36,009.72
CONSIGNMENTS (contra)	6,982.66		6,982.66
REACQUIRED SECURITIES			
152 Reacquired capital stock	167,600.00		167,600.00
Total assets and other debits	$43,924,922.72	$ 423,876.92*	$43,501,045.80

* Indicates credit.

Liabilities and Other Credits

	Before Adjustments	Adjustments	After Adjustments
CAPITAL STOCK			
200 Common capital stock	$ 7,000,000.00	$	$ 7,000,000.00
201 Preferred capital stock	6,868,500.00		6,868,500.00
Total capital stock	13,868,500.00		13,868,500.00
LONG-TERM DEBT			
210 Bonds	20,500,000.00		20,500,000.00
212 Advances from associated companies	3,194,500.00		3,194,500.00
Total long-term debt	23,694,500.00		23,694,500.00
CURRENT AND ACCRUED LIABILITIES			
222 Accounts payable	93,481.95		93,481.95
223 Payables to associated companies	29,584.04		29,584.04
226 Matured interest	485.00		485.00
227 Customers' deposits	261,521.87		261,521.87
228 Taxes accrued	567,325.71		567,325.71
229 Interest accrued	427,083.34		427,083.34
230 Other current and accrued liabilities	5,302.66		5,302.66
Total current and accrued liabilities	1,384,784.57		1,384,784.57
DEFERRED CREDITS			
242 Other deferred credits	17,168.80		17,168.80
RESERVES			
250 Reserve for property retirement	3,078,163.34	423,876.92*	2,654,286.42
254 Reserve for uncollectible accounts	94,303.95		94,303.95
255 Insurance reserve	4,000.00		4,000.00
256 Injuries and damages reserve	10,154.13		10,154.13
258 Other reserves	170,324.68		170,324.68
Total reserves	3,356,946.10		2,727,420.21
CONSIGNMENTS (contra)	6,982.66		6,982.66
CONTRIBUTIONS IN AID OF CONSTRUCTION			
265 Contributions in aid of construction	11,896.15		11,896.15
SURPLUS			
271 Earned surplus	1,584,144.44		1,584,144.44
Total liabilities and other credits	$43,924,922.72	$423,876.92*	$43,501,045.80

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT H

SUGGESTED PLAN FOR DISPOSITION OF AMOUNTS

AS OF JANUARY 1, 1937

INCLUDIBLE IN

ACCOUNT 100.5 ELECTRIC PLANT ACQUISITION ADJUSTMENTS

ACCOUNT 107. ELECTRIC PLANT ADJUSTMENTS

AND

ACCOUNT 140. UNAMORTIZED DEBT DISCOUNT AND EXPENSE

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D—Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement H

The Commission's Order of May 11, 1937, requires each utility, in submitting the information called for in Electric Plant Instruction 2-D of the Uniform System of Accounts, to furnish among other things the following:

> "Statement H giving a suggested plan for depreciating, amortizing, or otherwise disposing in whole or in part of the amounts, as of January 1, 1937, includible in Account 100.5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments."

and paragraph (C) of the Commission's Show Cause Order of July 1, 1941, in Docket No. IT-5611, directs the Company among other things to

> "show further cause, if any there be:
>
> * * * * * *
>
> "(iii) Why the Company should not submit a plan for the disposition of the amounts which may be properly established in Account 100.5, Electric Plant Acquisition Adjustments, in accordance with the evidence adduced at said hearing;
>
> "(iv) Why the Company should not submit plans for the disposition of the amount of $9,694,593.47, classified in Account 107, Electric Plant Adjustments;"

The Company's original Statement H, filed with the Commission on July 3, 1940, was necessarily based upon its then proposed reclassification of electric plant account, as reflected in Statements B, E, F, and G, submitted at the same time. The Revised Statements B, E, F, and G, filed herewith, reflect the results of the further studies and analyses made by the Company since the date of original filing, as explained in said Revised Statements, and the premises and data from which such results were derived, and necessitate the compilation of Revised Statement H.

For example, Revised Statement B, for the reasons therein stated, attempts no segregation "according to nature" of the amounts therein shown in Account 100.5, Electric Plant Acquisition Adjustments, as was attempted in the original Statement B; it establishes no "credit balance" in Account 107, as was shown in the original reclassification; and the only amount now classified by the Company in Account 107 is the sum of $42,554.68 (see Item (3) on page 6 of the Introductory Statement) which the examiners and the Company agree was improperly capitalized as costs of construction, and should therefore be removed from plant account. This Revised Statement H is therefore based upon and deals with the "acquisition adjustments" shown in Revised Statement B; and it also deals with the amounts proposed to be transferred to Account 140, Unamortized Debt Discount and Expense, as shown on the Summary Statement of Revised Statement B, which in the Joint Report (pages 32 to 34) are reclassified, pending disposition, in Account 107, Electric Plant Adjustments.

Referring now to sub-paragraphs (iii) and (iv) of the Commission's Show Cause Order of July 1, 1941, in Docket No. IT-5611, the Company has no serious objection (and it did not object at the time of filing its original Statement H) to filing with the Commission as part of its reclassification statement an explanation of the Company's views and suggestions as to the treatment which should be given to any amounts, as of January 1, 1937, which the Company deems properly classifiable in any of the above numbered Accounts. It does object, however, and it earnestly protests, that the Company should not be required to engage in a speculative determination in advance, in a proceeding or investigation to determine the proper reclassification of the Company's electric plant accounts, as to what amounts may finally be determined by the Commission to be properly classified in any

so-called Adjustment Accounts, and, on the basis of such speculation, to propose a plan for the disposition of such presently unknown amounts.

It also protests that the Commission may not reasonably or lawfully require the Company to "dispose of", in the sense of writing off or removing from its books of account, any amounts now shown thereon which may represent values inherent in the Company's property; and that the question of the existence of such value is not a matter of accounting, but one requiring judicial investigation and determination on the basis of all relevant evidence of value as of the time of the inquiry. It further protests, in particular, that the requirement of sub-paragraph (iv) referred to above is unreasonable and unlawful, in that, at the present stage of the proceeding, there is no "amount of $9,694,593.47, classified in Account 107, Electric Plant Adjustments", such amount representing merely a combination of certain figures referred to in the Joint Report of the examiners (Joint Report, page 31), the proposed reclassification of which has not been accepted, except in part, by the Company, and none of which has yet been passed upon by the Commission. This Revised Statement H is therefore submitted subject to the foregoing objection and protest, and to the reservation by the Company of all of its rights and remedies with respect thereto, and with respect to any assumption of authority by the Commission to order a "disposition", other than that proposed by the Company, in this Revised Statement H, of any amounts that may finally be held to be properly classifiable in either Account 100.5 or Account 107.

Will T. Neill, Vice President
Pacific Power & Light Company

REVISED STATEMENT H (Continued)

SUGGESTED PLAN FOR DISPOSITION OF AMOUNTS

AS OF JANUARY 1, 1937

INCLUDIBLE IN

ACCOUNT 100.5 ELECTRIC PLANT ACQUISITION ADJUSTMENTS

ACCOUNT 107. ELECTRIC PLANT ADJUSTMENTS

AND

ACCOUNT 140. UNAMORTIZED DEBT DISCOUNT AND EXPENSE

Account 140, Unamortized Debt Discount and Expense

The total amount shown in Account 140 on the Summary sheet in Revised Statement B, is made up of two items, one of $448,616.25, arising in connection with Acquisition No. 1 in July of 1910, and the other of $1,576,377.74, arising in connection with Acquisition No. 19 in 1930. The details of these items of Debt Discount and Expense are set forth in the Joint Report at pages 32 to 34, and are based on detailed statements supplied to the Commission's staff on January 28, 1941, having been obtained by the Company at the staff's request from American Power & Light Company. In both transactions, the discount and expense incurred represented part of the costs incurred in the transaction, but heretofore these amounts of debt discount and expense have not been recorded as such on Pacific Company's books of account.

(a) The Company proposes to dispose of the item of $448,616.25 of such unamortized debt discount and expense, arising in connection with the 1910 acquisition, by removing the same from Account 140 and charging the amount to Account 271, Earned Surplus, as of January 1, 1937.

(b) The Company proposes to dispose of the amount of $1,576,377.74 of unamortized debt discount and expense, arising in connection with the 1930 acquisition, by crediting Account 140 and charging Account 271, Earned Surplus, as of January 1, 1937, with 77/300ths of the total amount, or $404,603.43, and by crediting Account 140 and charging Account 531, Amortization of Debt Discount and Expense, or Account 271, Earned Surplus, as appropriate, with 1/300ths of the original total amount of $1,576,377.74 for each month after December 31, 1936. These apportionments as to the period ending December 31, 1936, and monthly thereafter, are based on the twenty-five year life of the bonds issued on August 1, 1930, and maturing on August 1, 1955.

Account 107, Electric Plant Adjustments

The Company proposes to dispose of the amount of $42,554.68, reclassified on the Summary sheet of Revised Statement B in Account 107, Electric Plant Adjustments, by crediting Account 107 and charging Account 271, Earned Surplus with the entire amount of $42,554.68. This proposal is made for the reason that this net amount is now recognized as having been erroneously accrued on the Company's books as a cost of construction and charged to plant account as such.

Account 100.5, Electric Plant Acquisition Adjustments

The Company proposes to dispose of the amount of $7,019,528.20, shown on the Summary sheet of Revised Statement B as the total reclassified to Account 100.5, Electric Plant Acquisition Adjustments, by retaining said amount in said Account 100.5 until the time or times of the complete retirement or disposition of the respective systems to which the components of this total respectively apply; and at such time or times to remove from

Account 100.5 so much thereof as pertains to the system acquisitions then retired or disposed of.

In the event of the complete retirement or disposition of any system representing less than the total of one of the several acquisitions listed on said Summary Statement, an apportionment will be made of the amount of the 100.5 acquisition adjustment cost applicable to the entire acquisition, in such manner and on such bases as will fairly reflect the relation of the system so disposed of or retired to the total acquisition.

No Other Dispositions Proposed

Except as hereinabove set forth in this Revised Statement H, the Company has no plan for the disposition of any other or additional amounts which may ultimately be reclassified in Account 100.5 or in Account 107. The Company takes the position and maintains that the amounts recorded in its Electric Plant Account, after making the adjustments to Account 140 and Account 107 above proposed, are fully supported by present plant values equaling or exceeding the total amounts shown in said Electric Plant Account.

PACIFIC POWER & LIGHT COMPANY

REVISED STATEMENT I

STATISTICAL INFORMATION RELATIVE TO ELECTRIC PLANT

AS OF DECEMBER 31, 1936

Prepared Pursuant to
Federal Power Commission
Electric Plant Instruction 2D-Uniform System of Accounts
and
Order of May 11, 1937

Foreword to Revised Statement I

Revised Statement I embodies the revisions of former Statement I which were made necessary by changes in the determination of "original costs" of electric property as of January 1, 1937, resulting from adjustments recommended in the Joint Report and accepted by the Company, and from changes in the classification of certain properties between Transmission and Distribution.

The original costs shown in this Revised Statement I are the "original costs" determined as of January 1, 1937, in accordance with the Uniform System of Accounts and the Commission's interpretation thereof, to which reference has been made in the foregoing Introductory and Explanatory Statement; and the statement of such "original costs" in Revised Statement I is subject to the explanation and to the reservation of rights set forth on pages 12 to 15 of said Introductory Statement.

Will T. Neill, Vice President
Pacific Power & Light Company

PACIFIC POWER & LIGHT COMPANY

STATISTICAL INFORMATION RELATIVE TO ELECTRIC PLANT
AS OF
December 31, 1936

PRODUCTION PLANT

Steam Production Plant

Astoria Steam Generating Station

Date of Original Construction	1921
1st Unit Nameplate Generating Capacity - Kw	3,000
Date of Addition	1925
2nd Unit Nameplate Generating Capacity - Kw	5,000
Present Nameplate Generating Capacity - Kw	8,000

Original Cost	
Account 310	$ 23,877.45
Account 311	345,078.30
Account 312	377,863.31
Account 314	287,583.64
Account 315	36,581.65
Account 316	2,783.94
Total	$ 1,073,768.29

Hydraulic Production Plant

Naches Generating Station

Date of Original Construction	1906
1st Unit Nameplate Generating Capacity - Kw	750
Date of Addition	1909
2nd Unit Nameplate Generating Capacity - Kw	3,000
Date of Addition	1913
3rd Unit Nameplate Generating Capacity - Kw	3,370
Present Nameplate Generating Capacity - Kw	7,120
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 69,012.40
Account 321	62,738.57
Account 322	844,448.23
Account 323	115,555.71
Account 324	11,169.73
Account 325	3,533.91
Account 326	554.06
Total	$ 1,107,012 61

Naches Drop Plant

Date of Original Construction	1914
Original Unit Nameplate Generating Capacity - Kw	1,400
Present Nameplate Generating Capacity - Kw	1,400
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 3,795.40
Account 321	26,607.73
Account 322	54,190.49
Account 323	55,375.87
Account 324	2,060.55
Account 325	1,267.18
Total	$ 143,297.22

Walla Walla River Generating Station

Date of Original Construction	1904
1st Unit Nameplate Generating Capacity - Kw	500
Date of Addition	1909
2nd and 3rd Unit Nameplate Generating Capacities - Kw	1,000
Date of Addition	1911
4th Unit Nameplate Generating Capacity - Kw	937
Present Nameplate Generating Capacity - Kw	2,437
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 14,566.45
Account 321	53,780.75
Account 322	443,089.45
Account 323	47,747.62
Account 324	9,613.09
Account 325	2,067.43
Account 326	90.63
Total	$ 570,955.42

Tygh Valley Generating Station

Date of Original Construction	1902
1st and 2nd Unit Nameplate Generating Capacities - Kw	1,000
Date of Addition	1912
3rd Unit Nameplate Generating Capacity - Kw	1,250
Present Nameplate Generating Capacity - Kw	2,250
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 9,545.72
Account 321	40,469.23
Account 322	101,132.32
Account 323	59,535.58
Account 324	7,041.10
Account 325	1,642.71
Account 326	348.41
Total	$ 219,715.07

Powerdale Generating Station

Date of Original Construction	1923
Original Unit Nameplate Generating Capacity - Kw	6,000
Present Nameplate Generating Capacity - Kw	6,000
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 108,435.10
Account 321	164,624.71
Account 322	1,168,382.79
Account 323	141,980.92
Account 324	41,556.31
Account 325	8,568.70
Account 326	3,404.24
Total	$ 1,636,952.77

Joseph Generating Station

Date of Original Construction	1909
*Original Unit Nameplate Generating Capacity - Kw	225
Date of Addition	1929
Existing Nameplate Generating Capacity - Kw	1,000
Present Nameplate Generating Capacity - Kw	1,000
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 18,277.02
Account 321	21,422.13
Account 322	60,141.93
Account 323	31,846.82
Account 324	5,301.24
Account 325	1,513.20
Total	$ 138,502.34

*Removed in 1928.

Wallowa Falls Generating Station

This project is the property of Inland Power & Light Company. Accounts included in this statement include the lands and structures not included within the project boundaries.

Original Cost	
Account 320	$ 2,581.18
Account 321	11,377.64
Account 325	26.07
Total	$ 13,984.89

Bend Generating Station

Date of Original Construction	1910
*Original Nameplate Generating Capacity - Kw	150
Date of Addition	1913
1st Unit Nameplate Generating Capacity - Kw	200
Date of Addition	1916
2nd Unit Nameplate Generating Capacity - Kw	350
Date of Addition	1917
3rd Unit Nameplate Generating Capacity - Kw	560
Present Nameplate Generating Capacity - Kw	1,110
Capacity of Reservoir - acre feet	None

Original Cost	
Account 320	$ 18,080 70
Account 321	17,569.74
Account 322	65,824.92
Account 323	47,205.31
Account 324	7,748.84
Account 325	496.43
Account 326	174.40
Total	$ 157,100.34

*Removed at time of first unit construction.

Cline Falls Generating Station

Date of Original Construction	1905
*Original Nameplate Generating Capacity - Kw	75
Date of Addition	1913
**Existing Unit Nameplate Generating Capacity - Kw	150
Present Nameplate Generating Capacity - Kw	150
Capacity of Reservoir - acre feet	None

Original Cost	
Account 321	$ 5,416.50
Account 322	6,116.12
Account 323	5,976.46
Account 324	494.54
Account 325	411.71
Total	$ 18,415.33

*Removed in 1913.
**Replaced in 1928 because of fire.

TRANSMISSION PLANT

Overhead Transmission Lines

Hanford-Taunton

Voltage	110,000
Length, in miles	15.35
Miles of Wood Pole H-Frame Construction	15.35
Miles of Single Circuit 3-wire No. 1/0 Copper	14.83
Miles of Single Circuit 3-wire ½ inch Copperweld	0.52

Original Cost	
Account 340	$ 4,644.09
Account 344	6,506.38
Account 345	15,230.99
Account 346	31,610.87
Total	$ 57,992.33

Union Gap-Condit

Voltage	66,000
Length, in miles	75.62
Miles of Wood Pole H-Frame Construction	75.62
Miles of Single Circuit 3-wire 250 MCM Copper	75.62

Original Cost	
Account 340	$ 73,331.37
Account 341	80,601.40
Account 345	117,212.12
Account 346	306,529.38
Total	$ 577,674.27

Naches-Yakima-Pasco
Yakima-Hanford-Pasco
Pasco-Walla Walla-Pomeroy
Pasco-Pendleton-Walla Walla (in Washington)
Pasco-Lind

Voltage		66,000
Length, in miles		413.84
Miles of Single Wood Pole Construction		412.09
Miles of Steel Tower Construction		1.75
Miles of Single Circuit 3-wire No. 3/0 Copper		19.54
Miles of Single Circuit 3-wire No. 2/0 Copper		33.90
Miles of Single Circuit 3-wire No. 1/0 Copper		265.34
Miles of Single Circuit 3-wire No. 1 Copper		44.88
Miles of Single Circuit 3-wire No. 4/0 Aluminum		36.70
Miles of Single Circuit 3-wire No. 2 Aluminum		11.46
Miles of Single Circuit 3-wire ½-inch Copperweld		0.16
Miles of Single Circuit 3-wire ½-inch Copperclad		0.51
Miles of Single Circuit 3-wire 5/16-inch Copperclad		1.35
Original Cost		
Account 340	$ 103,878.64	
Account 341	856.88	
Account 344	30,935.48	
Account 345	503,287.40	
Account 346	856,563.74	
Total	$ 1,495,522.14	

Pasco-Pendleton-Walla Walla (in Oregon)

Voltage		66,000
Length, in miles		75.77
Miles of Single Wood Pole Construction		75.29
Miles of Steel Tower Construction		0.48
Miles of Single Circuit 3-wire No. 1/0 Copper		75.29
Miles of Single Circuit 3-wire ½-inch Copperweld		0.48
Original Cost		
Account 340	$ 25,160.45	
Account 341	87.24	
Account 344	27,403.61	
Account 345	111,892.49	
Account 346	160,529.66	
Total	$ 325,073.45	

Tygh Valley-Condit (in Washington)

Voltage		66,000
Length, in miles		5.55
Miles of H-Frame and Single Wood Pole Construction		5.37
Miles of Steel Tower Construction		0.18
Miles of Single Circuit 3-wire No. 1/0 Copper		5.37
Miles of Single Circuit 3-wire 5/8-inch Steel		0.18
Original Cost		
Account 340	$ 3,439.78	
Account 341	4,459.04	
Account 344	45,015.05	
Account 345	15,384.04	
Account 346	23,241.03	
Total	$ 91,538.94	

Tygh Valley-Condit (in Oregon)

Voltage		66,000
Length, in miles		49.86
Miles of H-Frame and Single Wood Pole Construction		49.54
Miles of Steel Tower Construction		0.32
Miles of Single Circuit 3-wire No. 1/0 Copper		23.18
Miles of Single Circuit 3-wire 3 No. 8 Copperclad		26.36
Miles of Single Circuit 3-wire 5/8-inch Steel		0.32
Original Cost		
Account 340	$ 25,324.99	
Account 341	9,257.72	
Account 344	12,175.85	
Account 345	64,945.17	
Account 346	78,861.29	
Total	$ 190,565.02	

Walla Walla River-Freewater

Voltage		22,000
Length, in miles		8.50
Miles of Single Wood Pole Construction		8.50
Miles of Single Circuit 3-wire No. 1/0 Copper		8.50
Original Cost		
Account 340	$ 3,659.28	
Account 345	16,237.38	
Account 346	16,158.07	
Total	$ 36,054.73	

Cove-Bend

Voltage		22,000
Length, in miles		38.99
Miles of Single Wood Pole Construction		38.99
Miles of Single Circuit 3-wire No. 1/0 Copper		34.11
Miles of Single Circuit 3-wire No. 6 Copper		4.88
Original Cost		
Account 340	$ 5,000.82	
Account 341	110.94	
Account 345	48,527.12	
Account 346	51,165.99	
Total	$ 104,804.87	

Wallowa Falls-Joseph

Voltage		11,000
Length, in miles		6.68
Miles of Single Wood Pole Construction		6.68
Miles of Single Circuit 3-wire No. 4 Copper		6.68
Original Cost		
Account 340	$ 272.95	
Account 341	1,522.17	
Account 345	4,827.67	
Account 346	3,838.39	
Total	$ 10,461.18	

Cline Falls-Redmond

Voltage		6,600
Length, in miles		4.40
Miles of Single Wood Pole Construction		4.40
Miles of Single Circuit 3-wire No. 6 Copper		4.40
Original Cost		
Account 340	$ 205.90	
Account 345	2,748.68	
Account 346	1,664.34	
Total	$ 4,618.92	

Ariel-West Vancouver

Voltage		66,000
Length, in miles		26.46
Miles of Wood Pole H-Frame Construction		26.46
Miles of Single Circuit 3-wire 636,000 C.M. A.C.S.R.		26.46
Original Cost		
Account 340	$ 85,475.48	
Account 341	67,724.69	
Account 342	1,745.13	
Account 345	77,864.67	
Account 346	163,380.00	
Total	$ 396,189.97	

Note: Ariel-West Vancouver Transmission Line is leased to and operated by Northwestern Electric Company. All other transmission lines are operated by Pacific Company.

Overhead Transmission Feeders

Hood River-Odell

Voltage		66,000
Length, in miles		6.16
Miles of Single Wood Pole Construction		6.16
Miles of Single Circuit 3-wire No. 1/0 Copper		6.16
Original Cost		
Account 340	$ 2,960.16	
Account 341	1,023.48	
Account 345	11,873.20	
Account 346	14,837.83	
Total	$ 30,694.67	

White Bluffs Tap

Voltage		66,000
Length, in miles		2.72
Miles of Single Wood Pole Construction		2.72
Miles of Single Circuit 3-wire No. 6 Copperclad		2.72
Original Cost		
Account 340	$ 693.86	
Account 345	2,771.48	
Account 346	1,947.07	
Total	$ 5,412.41	

Dufur-Ione

Voltage		22,000
Length, in miles		129.56
Miles of H-Frame and Single Wood Pole Construction		129.56
Miles of Single Circuit 3-wire No. 2 A.C.S.R.		89.56
Miles of Single Circuit 3-wire No. 1/0 A.C.S.R.		25.83
Miles of Single Circuit 3-wire 11/32-inch Copperweld		14.17
Original Cost		
Account 340	$ 19,710.56	
Account 341	60.81	
Account 345	156,946.87	
Account 346	113,902.75	
Total	$ 290,620.99	

Astoria-Seaside

Voltage		22,000
Length, in miles		18.30
Miles of Single Wood Pole Construction		18.21
Miles of Underground Cable Construction		0.09
Miles of Single Circuit 3-wire No. 1/0 Copper		15.72
Miles of Single Circuit 3-wire No. 4 Copper		2.49
Miles of Single Circuit 3-conductor No. 2 Copper Cable		0.09
Original Cost		
Account 340	$ 11,381.36	
Account 341	5,043.54	
Account 345	35,707.81	
Account 346	25,877.01	
Account 348	5,115.65	
Total	$ 83,125.37	

Culver Junction-Prineville-Prineville Junction
Cove Junction-Madras
Atomite Tap

Voltage	22,000
Length, in miles	64.49
Miles of Single Wood Pole Construction	64.49
Miles of Single Circuit 3-wire No. 6 Copper	54.27
Miles of Single Circuit 3-wire No. 8 Copper	10.22

Original Cost		
Account 340	$ 3,017.85	
Account 345	59,114.44	
Account 346	35,276.40	
Total	$ 97,408.69	

Ione-Heppner

Voltage	11,000
Length, in miles	17.63
Miles of Single Wood Pole Construction	17.63
Miles of Single Circuit 3-wire No. 4 Copper	17.63

Original Cost		
Account 340	$ 219.08	
Account 345	12,868.63	
Account 346	9,026.04	
Total	$ 22,113.75	

Joseph-Wallowa

Voltage	11,000
Length, in miles	24.73
Miles of Single Wood Pole Construction	24.73
Miles of Single Circuit 3-wire No. 6 Copper	24.73

Original Cost		
Account 340	$ 1,115.29	
Account 345	17,562.60	
Account 346	10,846.28	
Total	$ 29,524.17	

The Dalles-Goldendale, Oregon

Voltage	11,000
Length, in miles	11.61
Miles of H-Frame and Single Wood Pole Construction	11.61
Miles of Single Circuit 3-wire No. 4 Copper	11.10
Miles of Single Circuit 3-wire No. 2 Copper	0.51

Original Cost		
Account 340	$ 3,290.88	
Account 345	12,068.50	
Account 346	11,540.11	
Total	$ 26,899.49	

The Dalles-Goldendale, Washington

Voltage		11,000
Length, in miles		18.20
Miles of H-Frame and Single Wood Pole Construction		18.20
Miles of Single Circuit 3-wire No. 4 Copper		14.40
Miles of Single Circuit 3-wire No. 2 Copper		0.40
Miles of Single Circuit 3-wire No. 1 Copper		0.63
Miles of Single Circuit 3-wire 11/32-inch Copperweld		2.77
Original Cost		
Account 340	$ 977.69	
Account 345	17,081.25	
Account 346	16,106.29	
Total	$ 34,165.23	

Transmission Substations

Name of Substation	Function	Capacity Kva	High Voltage	Low Voltage
At Naches Generating Station	Step-up	10,125	66,000	2,300
At Naches Drop Plant	Step-up	1,500	66,000	2,300
At Walla Walla River Generating Station	Step-up	2,250	22,000	2,300
At Tygh Valley Generating Station	Step-up	3,000	66,000	2,300
At Astoria Steam Generating Station	Step-up	3,000	22,000	11,000
At Powerdale Generating Station	Step-up	7,500	66,000	6,600
At Joseph Generating Station	Step-up	1,200	11,000	2,300
At Bend Generating Station	Step-up	900	22,000	2,300
At Cline Falls Generating Station	Step-up	150	6,600	2,300
Fruitvale Substation	Switching	—	—	—
Union Gap Substation	Switching	—	—	—
Taunton Switching Station	Interchange	—	—	—
Pasco Substation	Switching	—	—	—
Hanford Substation	Step-down	19,000	110,000	66,000
Lind Substation	Interchange	9,000	110,000	66,000
Walla Walla Substation	Switching	—	—	—
Freewater Substation	Step-up	2,500	66,000	22,000
Dufur Substation	Step-down	1,000	66,000	22,000
Ione Substation	Step-down	600	22,000	11,000
Olex Switching Station	Switching	—	—	—
De Moss Switching Station	Switching	—	—	—
Condit Switching Station	Interchange	—	—	—
Ariel Switchyard	Switching	—	—	—
West Vancouver Switching Station	Switching	—	—	—

Note: Ariel Switchyard and West Vancouver Switching Station are leased to and operated by Northwestern Electric Company. All other substations are included in Electric Plant in Service. Spare transformers which are installed at most of the stations are not included in the tabulated capacities.

Special Equipment

At Pasco Substation, 1 - 5,000 kva synchronous condenser
At Union Gap Substation, 1 - 10,000 kva synchronous condenser

DISTRIBUTION PLANT

Overhead System

	System Owned and Operated	System Owned and Leased	Total
Number of Pole Miles	2,067	657	2,724
Number of Wire Miles*	8,368	2,451	10,819
Number of Services Connected	58,673	7,384	66,057
Number of Wood Poles	67,787	21,087	88,874
Number of Steel Poles	184	—	184

*Statistics not available on circuit miles.

Underground System

No underground system. Some wires and overhead type transformers in Astoria are installed under elevated concrete streets.

Distribution Substations

(1) Owned Property operated by the company
Number of substations 69
Number of transformers located in the substations together with capacities and voltages:

	Number of Transformers	Total Kva	High Voltage Kv	Low Voltage Kv
	4	21,500	66	11
	27	20,750	66	6.6
	25	27,099	66	2.3
	6	2,100	22	11
	3	900	22	6.6
	54	5,660	22	2.3
	1	450	11	6.6
	69	17,882	11	2.3
	24	3,010	6.6	2.3
Total	213	99,351		

(2) Property Leased to Northwestern Electric Company
Number of substations 7
Number of transformers located in the substations together with capacities and voltages:

Number of Transformers	Total Kva	High Voltage Kv	Low Voltage Kv
3	3,000	66	11
3	300	44	6.6
6	650	11	6.6
9	2,950	11	2.3
Total 21	6,900		

Line Transformers

	System Owned and Operated	System Owned and Leased	Total
Number of Transformers	11,234	2,115	13,349
Capacity of Transformers (kva)	112,930	11,357	124,287

Street Lighting and Signal Systems

	System Owned and Operated	System Owned and Leased	Total
Ornamental Steel Standards	42	—	42
Number of Lamps - Multiple	1,116	62	1,178
Number of Lamps - Series	2,651	274	2,925
Total Wattage of Lamps - Multiple	110,240	4,000	114,240
Total Lumens of Lamps - Series	5,231,100	325,000	5,556,100
Total Arc Lamps, 4 amp.	226	—	226
Signal Systems			None

GENERAL PLANT

Office Buildings

Bend, Oregon - Single story brick structure 25 ft. by 100 ft.
Condon, Oregon - Single story frame structure 41 ft. by 34 ft.
Power Department
Kennewick, Washington - Single story frame structure 30 ft. by 40 ft.
Redmond, Oregon - Two story frame structure 25 ft. by 50 ft. with single story brick annex 25 ft. by 35 ft.

Seaside, Oregon	- Single story frame structure 23 ft. by 86 ft.
Sunnyside, Washington	- Single story brick structure 24 ft. by 83 ft.
Waitsburg, Washington	- Single story brick structure 11 ft. by 100 ft.
Yakima, Washington	- Two story concrete structure 50 ft. by 140 ft. faced with brick and with stone front.

Other Principal Structures

Bend, Oregon	- Single story wood frame warehouse building 57 ft. by 78 ft.
Kennewick, Washington	- Single story brick warehouse and garage building 41 ft. by 68 ft.
Kennewick, Washington	- Single story brick machine shop and storage building 40 ft. by 50 ft.
Yakima, Washington	- Two story brick warehouse building 50 ft. by 118 ft.

Transportation Equipment

Number of passenger and pick-up type automobiles	122
Number of trucks	39
Number of tractors	3
Number of trailers	38

Stores, Shop and Laboratory Equipment

Stores Equipment - Principal warehouse and storage facilities in Kennewick and Yakima with storage bins and equipment in central locations in each district.

Shop Equipment - Maintenance equipment at all generating stations and at Kennewick and Yakima. Construction and repair tools in each district.

Laboratory Equipment - Testing and maintenance equipment in Walla Walla and Kennewick and meter testing and rdio interference testing equipment in each district.

Communication Equipment

(1) Wired Telephone Equipment

Owned and operated - On high voltage transmission pole lines

Poles	71
Miles	774

Instruments and switchboards in all load centers and at various junction points with extensions to operators' cottages and offices.

Owned and leased - On distribution poles with taps to stations

Poles	20
Miles	33

(2) Carrier Current Telephone Equipment

Owned and operated - 3 transmitting and 9 receiving sets.

Miscellaneous Equipment

Electric signs, showcases, counters, display equipment, etc.

V E R I F I C A T I O N

STATE OF OREGON)
: ss.
County of Multnomah)

WILL T. NEILL, being first duly sworn, on oath states that he is Vice President of Pacific Power & Light Company; that the foregoing statements entitled Revised Statement B, Revised Statement E, Revised Statement F, Revised Statement G, Revised Statement H, and Revised Statement I, and the foregoing Introductory and Explanatory Statement in the form of a letter addressed to the Federal Power Commission, dated September 26, 1941, have been prepared by him or under his direct and personal supervision; that said Revised Statements have been prepared and are being submitted for the purpose of amending, superseding, and taking the places of Statements B, E, F, G, H, and I, respectively, relating to the same subject matter, filed by said Company with the Federal Power Commission, and with the Public Utilities Commissioner of Oregon, on July 3, 1940, and with the Department of Public Service of Washington on or about July 17, 1940; that he has examined each of said Revised Statements and said Introductory and Explanatory Statement and is familiar with the contents thereof; and that to the best of his knowledge and belief the information contained in said Revised Statements and in said Introductory and Explanatory Statement, is true and correct and, subject to the limitations of records and data available to said Company for the preparation of such Statements, has been prepared in accordance with the provisions of the Uniform System of Accounts prescribed by the Federal Power Commission for public utilities and licensees, and of the order relating thereto adopted by said Commission on May 11, 1937, and in response to certain of the suggestions contained or implicit in the order of the Federal Power Commission in Docket No. IT-5611, dated July 1, 1941, relating to the subject matter treated or referred to in said Statements.

Will T. Neill

Subscribed and sworn to before me this 26th day of September, 1941.

Jean McGilchrist

(Notarial Seal)

Notary Public for Oregon
My commission expires August 2,1944